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ABSTRACT

This document, submitted by Senator Kennedy, is the official Senate report on the authorization of the Health Professions Training and Nurse Education Improvement Act of 1991 (the reauthorization of the original Public Health Service Act)--legislation that provides for programs that support the training and education of professional health personnel. A first section summarizes the purpose of the bill and important amendments. The second section gives a history of the legislation; this is followed by a third section detailing the need for this legislation, specifically, anticipated need for health personnel in rural and urban areas and in particular fields. The fourth section offers a detailed analysis of the proposed legislation. The views of the committee that submitted the legislation are presented in section five. The sixth section reports the tabulation of votes cast in the committee for the bill, noting that the committee approved the bill 17 to 0. Cost estimates for the bill from the Congressional Budget Office make up the seventh section, while the eighth reports the expected minimal regulatory impact of the legislation. The final section reproduces the reauthorization text with amendments, omissions from the original bill, and changes indicated by brackets and typeface changes. (JB)

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**Calendar No. 341**

102D CONGRESS
*1st Session*

SENATE

REPORT
102-227

# HEALTH PROFESSIONS TRAINING AND NURSE EDUCATION IMPROVEMENT AND REAUTHORIZATION ACT OF 1991

NOVEMBER 21 (legislative day, NOVEMBER 20), 1991.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Human Resources, submitted the following

## REPORT

[To accompany S. 1933]

The Committee on Labor and Human Resources, to which was referred the bill (S. 1933), having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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### I. PURPOSE AND SUMMARY

As reported by the Committee, S. 1933 revises and extends authorities under Titles VII and VIII of the Public Health Service (PHS) Act for programs that support the training and education of professional health personnel. Title I of the bill extends and amends existing authorities for health professions training (Title VII of the PHS Act) and Title II of the bill extends and amends existing authorities for nurse education programs (Title VIII of the PHS Act).

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The bill extends these authorities for a 5 year period, through fiscal year 1996.

The amendments are designed to:

(1) Meet the nation's needs for an expanded supply of primary health care providers;

(2) Train more allied health professionals in shortage fields (such as medical technology and physical and rehabilitation therapy);

(3) Improve the geographic distribution of health professionals; and

(4) Increase access to health care in medically underserved and rural areas.

Some of the more important provisions are:

Request for a study by the Office of Technology Assessment study of programs authorized under Titles VII and VIII prior to the termination of this authorization;

Reauthorization of the Health Education Assistance Loan program, with significant improvements designed to reduce default rates and the authorization of a new direct student loan demonstration program;

The creation of an Advisory Council on Medical Licensure to provide advice regarding the establishment and operation of the American Medical Association's credentials verification system and to review policies and practices of the States regarding licensure of graduates from both U.S. and international medical schools;

Extension of Area Health Education Center authority with the addition of a component providing for state matching funds, as well as reauthorization of the existing Health Education and Training Center programs;

Establishment of a dental public health training program;

The authorization of grants and contracts for studies and demonstration projects relating to training and quality assurance responsibilities of the Bureau of Health Professions of the Health Resources and Services Administration;

The establishment of chiropractic training and demonstration projects;

The establishment of a postdoctoral fellowship program in clinical psychology, clinical social work, and psychiatry for training individuals to provide mental health services in Federal, State or local prisons or correctional facilities or public mental health facilities;

The establishment of a program for capacity building in nursing education for practice to address Year 2000 health objectives;

The establishment of a primary care nursing student training program in rural communities; and

The establishment of a fellowship program for career advancement of nursing assistants and licensed practical nurses in long-term care facilities.

Overall authorization levels for fiscal year 1992 are $513 million, including $376 million for health professions programs and $137 million for nursing programs.

## II. History of Legislation

S. 1993, a bill to amend the Public Health Service Act authorizing programs under Titles VII and VIII of the Public Health Service Act, was introduced on November 7, 1991, by Senators Kennedy, Adams, Bingaman, Durenberger, Harkin, Kassebaum, Kohl, Mikulski, and Simon. The legislation was considered at the Executive Session of the Labor and Human Resources Committee on November 13, 1991, and was reported out with an amendment in the nature of a substitute bill sponsored by Senator Kennedy.

## III. Background and Need for Legislation

Title VII of the Public Health Service Act provides Federal support for health professions education in the fields of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatric medicine, chiropractic, pharmacy, public health, graduate programs in clinical psychology and health administration, physician assistant and allied health. Title VIII of the Public Health Service Act provides for a comprehensive set of nursing education programs. Titles VII and VIII provide two forms of assistance. The first form is institutional support to health professions and nursing schools in the form of grants and contracts. The second form is student assistance in the form of loans, loan guarantees, and scholarships for students enrolled in these schools.

The Health Professions Educational Assistance Act of 1963, Public Law 88-129, authorized a 3-year program for medical school construction, and loan programs for students in schools of medicine, dentistry, and osteopathy. This initial enactment of direct Federal support for health professions education was in response to a critical shortage of health manpower. The 1963 legislation was designed to increase enrollment at various health professions schools and to assure their financial viability.

In the mid-1970's, when studies began to indicate that the supply of health professions would be sufficient to supply the nation's needs for the future, the focus of support for health professions under Title VII began to change. Many rural and inner-city communities lacked needed health personnel; a relative shortage of primary care providers was emerging.

With the 1976 extension of title VII, Congress began to refocus institutional assistance on special projects that would encourage health care personnel to practice in medically underserved communities and would increase the number of primary care practitioners. Subsequent amendments to Title VII further focussed on special training programs designed to address problems of health personnel geographic maldistribution, while ending support for programs designed simply to increase graduates in areas where supply was expected to be adequate. The recent amendments of 1985 and 1988 extended funding authority for programs which addressed problems associated with improving geographic and specialty maldistribution.

In 1961, the Surgeon General appointed a Consultant Group on Nursing to address the complex issues contributing to the shortage of nurses and to determine the role of the Federal Government in assuring that nursing needs would be met. The Nurse Training Act of 1964 authorized support to nursing schools and students. Support for schools included matching grants for construction of new nursing education facilities or for replacing and rehabilitating existing ones; project grants to strengthen, improve, or expand nursing education programs; and payment to diploma schools of nursing to prevent further attrition. Student support included low interest loans with a partial cancellation provision for employment as a nurse in any public or non-profit private institution or agency and continued support for nurses in advanced training through Professional Nurse Traineeship Program. The Federal commitment to assure an adequate supply of well prepared nurse was reaffirmed in seven major extensions of the Nurse Training Act in 1968, 1971, 1975, 1979, 1981, 1985 and 1988. Each extension included modifications to address changing health needs and national priorities.

Today, the Nation faces an alarming shortage of primary care practitioners, nurses, public health and certain allied health professionals. There is a continued need to improve the number of primary care practitioners, improve the geographic distribution of health professionals, and increase access to health care in medically underserved and rural communities.

Some have argued that Federal support for these programs over the past 20 years has resulted in overall surpluses of health practitioners and improved their distribution, and there is no longer a need for this legislation. The test is that there are approximately 2,000 communities in this country still designated by the federal government as Health Professions Shortage Areas, where 4,300 physicians are needed to provide primary care services. That figure translates into 30 million people with limited access to primary and preventive health care.

In the 1990 report from the Health Resources and Services Administration on "States' Assessment of Health Personnel Shortages: Issues and Concerns," the States identified three major problem areas in health personnel: (1) a shortage of registered nurses; (2) a shortage of primary care practitioners; and (3) a shortage of all health personnel in rural communities.

Partly as a result of funding provided by the Nursing Education Act, the number of RNs practicing in the United States has grown from 1.4 million in 1983 to 1.7 million in 1990, and the number of students in RN programs has increased from 200,000 to 230,000. Despite these gains, there continues to be a severe shortage of nursing personnel. The 1989 Report of the Hospital Nursing Personnel Survey by the American Hospital Association showed a national vacancy rate of 12.7%, with 81% of all hospitals reporting a shortage. According to the 1990 "States' Assessment," 49 out of 55 States and Territories reported shortages of RNs. In addition, the proportion of RNs who work in rural areas has decreased in recent years, and rural areas continue to be at a disadvantage when competing for the shrinking national supply of nurses.

Over the past five years, the proportion of graduates planning to enter the primary care specialities has decreased by almost one quarter, from thirty percent to twenty-three percent. Moreover, 1990 National Residency Matching Program data indicate that only 55% of the available family practice residency positions were filled.

The picture is no better in general pediatrics, where only 56% of the positions were filled; in general internal medicine, only 62% were filled. If this trend continues, there will not be enough replacements for the 24,000 family and general practice physicians who will be retiring from their clinical practices in the coming decades.

A major source of primary care providers for medically underserved or rural communities comes from non-physician providers, consisting mainly of nurse practitioners, certified nurse midwives, and physician assistants. Today, there are over 20,000 nurse practitioners, and over 4,300 certified nurse-midwives. Unfortunately, for every nurse practitioner or nurse-midwife we produce today, there are at least 4 medically underserved communities requiring their services. In addition, in 1978, approximately 74% of physician assistants were working in primary care; in 1989, this figure had dropped to 55%. The percentage of physician assistants practicing in rural areas has been reduced by over-half since 1981. These trends must be reversed.

The story is the same for nurse anesthetist. Graduates of such training programs dropped by 44% from 1980 to 1990. The number of training programs fell from 163 in 1980 to 80 in 1990. Many, hospitals rely solely on nurse anesthetists for anesthesia services, and the vast majority of these hospitals are located in rural areas. Without the service, of these nurses, important surgical procedures must often be postponed, thus limiting access to needed care.

Studies, surveys, and reports by groups such as the American Medical Association, American Hospital Association, American Society of Allied Health Professions, the Department of Health and Human Services and the Institute of Medicine of the National Academy of Sciences provide further evidence of the diminishing pool of certain allied health personnel and forecast a grim future for our health care system if corrective action is not taken.

The demand is high for allied health practitioners in physical therapy, occupational therapy, clinical laboratories, medical imaging, dental hygiene and respiratory therapy. It is projected that by the year 2000, the demand for physical therapists will increase by 57%, for occupational therapists by 49%, for laboratory technologist by 24%, and for medical imaging technologists by 66%.

These critical shortages will impede the provision of quality care. They have already forced some hospitals to reduce services, close beds or units, or refer patients to other facilities.

All of these problems are compounded by the rising cost of education in the health professions. Increasing numbers of students are dependent on the federal government for assistance to finance their education. In 1976, the Health Education Assistance Loan Program (HEAL) was created to provide financial assistance to graduate students in high-tuition health professions schools, and to assure that every American, no matter what their economic status, has access to a health professions education. Since then, HEAL has insured more than 300,000 loans totaling over $2.6 billion in loan principal to students in 11 health professions.

Unfortunately, problems exist in the HEAL program that Congress must address. Default rates are rising. The program was introduced to be self-financing by charging borrowers an upfront loan origination fee, but the fee is now insufficient to cover the costs of the yearly defaults. Congress was forced to appropriate $25 million in fiscal year 1991 to fill the gap and an estimated $61 million in fiscal year 1992.

## IV. Section-by-Section Analysis

### TITLE I—PROVISIONS RELATING TO TITLE VII (HEALTH PROFESSIONS)

Definitions (701): The bill repeals the definitions of "construction" and "cost of construction"; "affiliated hospital or affiliated outpatient clinic"; "interim facilities"; and "program for the training of expanded function dental auxiliaries."

New definitions are added for "graduate program in clinical social work" and "graduate program in marriage and family therapy".

The existing definition of allied health professionals in amended to specifically exclude registered nurses and physician assistants.

National Advisory Council on Health Professions Education (702): The existing authority establishing this advisory council is to be amended to increase the number of appointed members from 21 to 22 and to require that one member be a representative of graduate programs in clinical social work.

Subcommittee on Allied Health of National Advisory Council on Health Professions Education (new 702(e)): The bill establishes a Subcommittee on Allied Health of National Advisory Council on Health Professions Education to meet at least twice annually to advise the Council, the Secretary, the Senate Committees on Labor and Human Resources and Finance, and the House Committees on Energy and Commerce and Ways and Means on:

(i) the supply and distribution of allied health personnel;

(ii) current and future shortages or excesses of allied health personnel, particularly in medically underserved and rural communities;

(iii) priority research needs within the allied health professions;

(iv) appropriate Federal policies, including policies concerning changes in the financing of undergraduate and graduate allied health programs, changes in the types of allied health education, and the appropriate Federal role in the development of a research base;

(v) appropriate efforts to be carried out by health care facilities, schools and programs of allied health, and professional associations with respect to allied health personnel supply and distribution, including efforts for changes in undergraduate and graduate allied health education programs, and private support for research;

(vi) deficiencies and needs for improvements in existing data bases concerning the supply and distribution of allied health training programs and steps that should be taken to eliminate such deficiencies; and

(vii) problems, and recommendations for the resolution of such problems, relating to the roles and functions of professionals within the allied health fields and other fields such as medicine and dentistry.

The Subcommittee is also charged with encouraging entities providing allied health education to conduct activities to voluntarily achieve the Subcommittee's recommendations and with conducting a study regarding the shortage of clinical laboratory technologists (See "Study Regarding Shortage of Clinical Laboratory Technologists" below).

Members of the Subcommittee, to be appointed by April 1, 1992, would include, in addition to select members of the National Advisory Council:

The Assistant Secretary for Health;

The Administrator of HCFA;

The Assistant Secretary for Defense for Health Affairs;

The Chief Medical Director of the Department of Veterans Affairs;

The Commissioner of the Bureau of Labor Statistics;

A representative of the National Center for Education Statistics of the Department of Education;

A representative of the Bureau of Health Professions at HRSA;

5 individuals representing allied health professionals, of which 2 shall represent professionals who provide occupational, speech, respiratory, or physical therapy services; 2 shall be health professionals who provide primary care services in underserved areas or to underserved populations; and 1 shall be a health professional who provides primary care services to the elderly;

5 individuals representing schools and programs of allied health, health care facility employers of allied health personnel, health insurers, and allied health professional organizations;

A professional knowledgeable about health occupations and professions and data policy; and

A representative of the general public.

The Subcommittee is required to submit a progress report within 6 months after its initial meeting; and a final report by April 1, 1994, after which the Subcommittee would be terminated.

The Secretary is required to insure the necessary resources are made available to implement the Subcommittee provisions.

Study Regarding a Shortage of Clinical Laboratory Technologists (new 702(e)(1)(C)): The Subcommittee on Allied Health is required to conduct a study of clinical laboratory technologists to (1) determine the extent of the shortage, (2) determine the causes of the shortage, and (3) develop recommendations concerning the manner in which the shortage can be alleviated. In conducting the study, the Subcommittee would be required to consider any special or unique factors affecting the supply of clinical laboratory technologists in medically underserved and rural communities. The Subcommittee also would be required to conduct an assessment of alternative routes for certification of competence, and consider the role of entities that provide such certifications. Not later than October 1, 1993, the Subcommittee would be required to submit to the House Energy and Commerce Committee and the Senate Labor and Human Resources Committee a report concerning the results of the study.

Prohibition Against Discrimination (704): The existing requirement that schools and programs receiving assistance under Title VII programs provide assurances that they will not discriminate on the basis of "sex" in the admission of individuals to training programs is broadened to cover discrimination on the basis of "race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation."

Health Professions Data (708): Physician assistants and clinical social workers practicing in health or mental health care are added to the groups on which the Secretary is specifically authorized to provide for collection and analysis of data under Sec. 708 of the PHS Act.

The bill would require collection of data on health professional shortage areas (HPSAs) designated under Sec. 332 of the PHS Act and other medically underserved communities and underserved populations.

The bill also would require that the biennial report to Congress on the status of health personnel include data on HPSAs, rural areas, and medically underserved areas and populations, as well as on student career choice of service in HPSAs and other medically underserved communities and underserved populations.

Statistics and Annual Report on Public and Community Health Personnel (old 794, new 708A): The existing authority relating to collection and analysis of data on public and community health personnel supply and needs, and a biennial report to the Congress on this data, is transferred from Part G of Title VII (public health and allied health) to a location next to the more general health professions data authority in Sec. 708.

Assurance With Respect to Instruction on Prevention of Transmission of Bloodborne Diseases (new Sec. 709(c)): The bill establishes a new requirement for assurances by applicants that all trainees will receive instruction in the utilization of universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases.

Prority/Preference in Award of Title VII and Title VIII Grants (new 711): Effective in fiscal year 1992, a funding priority in the award of competitive grants under Title VII or Title VIII will be given to entities submitting applications that can demonstrate that such entities—

(1) have training programs that demonstrate the presence of, or progress toward the development and integration of effective approaches and educational strategies to promote health and prevent disease and disability, especially in primary care, which will help meet Healthy People 2000: National Health Promotion and Disease Prevention Objectives; and

(2)(A) have a high permanent rate for placing graduates in practice settings which serve residents of medically underserved or rural communities; or

(B) will provide for not less than four of the following:

(i) the rotation of health professionals and students to clinical settings whose focus is to serve medically underserved communities or rural areas;

(ii) the appointment of health professionals whose practices serve medically underserved communities or rural areas to act as preceptors to supervise training in such settings;

(iii) a plan that insures that all health professionals and students receive information on practice opportunities involving medically underserved or rural communities;

(iv) service contingent scholarship or loan repayment programs for students and health professionals to encourage practice in or service to medically underserved or rural communities;

(v) the recruitment and admission of students from medically underserved or rural communities; and

(vi) other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved or rural communities.

Effective in fiscal year 1995, a funding preference in the award of competitive grants under Title VII or Title VIII to schools or programs that can demonstrate that—

(1) not less than 20 percent of the graduates of such schools or programs during the preceding 2-year period are engaged in full-time practice in a health professions shortage specialty in a medically underserved or rural community; or

(2) the number of the graduates of such schools or programs that are practicing in a medically underserved or rural community has increased by not less than 50 percent of that proportion of such graduates for the previous 2-year period;

With the exception that, among a pool of applications that have been approved by the standard peer review process, preference will be applied only to those applications that score in the upper 80 percent of the approved applications.

For the purposes of these priorities and preferences, the following definitions or conditions will apply:

The term "medically underserved community" means—

(A) an area designated under Sec. 332 of the PHS Act as a "health professional shortage area" (HPSA);

(B) an area of population designated as a medically underserved area under Sec. 330(b)(3), including areas designated under Sec. 330(b)(6);

(C) populations served by migrant health centers (Sec. 329), community health centers (Sec. 330), programs providing health services for the homeless (Sec. 340), or Federally qualified health centers as defined for Medicaid purposes;

(D) a community that is certified as underserved by the Secretary for purposes of participation in Medicare's rural health clinic program; or

(E) a community that meets the criteria for designation as a HPSA or MUA under (A) or (B) above but has not been so designated.

The term "rural" refers to geographic areas that are located outside of standard metropolitan statistical areas.

Savings Provision With Respect to Current Grants or Contracts (new 712): The bill provides for continued support of projects currently being funded under authorities proposed to be terminated by this bill.

Office of Technology Assessment Study (OTA) (new 713): Not later than March 31, 1996 (6 months prior to the expiration of authorities in this bill), the OTA shall submit a report that provides a comprehensive review of the effectiveness of programs, projects and activities authorized under Titles VII and VIII of the PHS Act in (1) increasing the number of primary care providers, and (2) improving the geographic distribution of health professionals in medically underserved and rural areas. This evaluation should also review (1) the various mechanisms of funding under these titles (e.g., scholarships, fellowships, traineeships, loan repayment programs, project grants, education centers) have been effective in producing health care professionals who work or practice in medically underserved or rural communities and the relative impact or effectiveness of each mechanism; and (2) the geographic distribution of health professionals funded under these programs.

HEAL Loan Program (731-739): HEAL loan guarantee ceilings are $400 million for fiscal year 1992, $425 million for fiscal year 1993, $475 million for fiscal year 1994, $525 million for fiscal year 1995, and $550 million for fiscal year 1996. Other amendments to the HEAL authority are:

> Loan Deferral (731(a)(2)(C)): Existing provisions for deferral of repayment of loans following completion of training are broadened to include also:
>
> > Not in excess of 3 years, for a borrower who has completed an accredited internship or residency program in osteopathic general practice, family medicine, general internal medicine, or general pediatrics, or completed training in general dentistry, public health dentistry, clinical psychology or clinical social work and is currently serving as a primary care provider in a medically underserved or rural community;
> >
> > Not in excess of 1 year, for borrowers in the health professions that do not require residency training; and
> >
> > Not in excess of 2 years during which the borrower (regardless of specialty) is providing care in a medically underserved or rural community.
>
> Loan Consolidation (732(f)): The bill replaces existing provisions relating to consolidation of HEAL loans with a provision allowing consolidation of all of the borrower's debts into a single instrument on the same terms and conditions as those provided in the Higher Education Act. Existing prohibitions against the provision of Federal subsidies for any HEAL loan as a result of consolidation are deleted.
>
> Interest Rate (731 (a)(2)(D) and (b)): The bill allows compounding of HEAL loan interest not more frequently than annually, instead of semi-annually. The bill further establishes an overall maximum interest rate of 12 percent for HEAL loans, with the Government to subsidize any interest payments in excess of 12 percent through the payment of special allowances similar to those paid for subsidized loans administered by the Department of Education.

Participation of Institutions in Loan Collection (731(a)(2)): The bill amends existing provisions relating to HEAL loan notes or other written agreements to require that such notes authorize the institution or postgraduate training program attended by the borrower to assist in the collection of any loan that becomes delinquent, including providing information concerning the borrower to the Secretary and to past and present lenders and holders of the borrower's loans.

Establishment of Performance Standards and Fees for Lenders and Holders (733(a)): The bill requires the Secretary to establish by regulation performance standards and fees to be paid by lenders and loan holders for the servicing of HEAL loans and for the processing of loan default claims filed by insurance beneficiaries (i.e., lenders and holders) under the program.

Definition of "Default Rate" (733(e)(4)): The bill establishes a statutory definition of the term "default rate," as used in the HEAL program. Default rates would be computed on the basis of loan principal entering repayment status after April 7, 1987, for which insurance claims have been paid, excluding claims paid as a result of bankruptcy under Title 11 of the U.S. Code or as a result of the death or total and permanent disability of the borrowers, and exclusive of any amounts of principal actually repaid by the borrowers subsequent to payment of the claim.

Reduction of Reimbursements under Federal Programs (733 (f)): The bill makes mandatory, instead of permissive, the provision that the Secretary, after notice and opportunity for a hearing, cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who have defaulted on their HEAL loans, in amounts up to the remaining balance of such loans.

Amendment of Litigation Requirement (733(h)): The bill exempts lenders and holders from the existing requirement to commence and prosecute an action against a defaulting borrower (the "litigation requirement") if, in the judgment of the Secretary, in consultation with the lender or holder, there is not a reasonable likelihood of recovering, within 6 months of the date on which active enforcement of the judgment begins, at least one-half of the outstanding debt owed by the borrower (including collections costs and associated changes) or $10,000, whichever is less.

Sec. 155 (b) of the bill also provides for exemption from the litigation requirement if the Secretary determines that prosecution of an action would be inappropriate (rather than "fruitless" because of the financial or other circumstances of the borrower.

Default Penalty Fees for Students and Schools (new 732A): In place of the existing provision requiring payment by borrowers of an insurance premium (up to 8 percent of loan principal) to cover costs of HEAL defaults, the bill provides for assessment of a risk-based premium on the borrower and, if required, on the institution attended by the borrower, based on the default rate of the institution involved.

The premium to be assessed, and the related conditions to be imposed, would be as follows:

Low-risk rate: If an institution's default rate was 5 percent or below, the borrower would be assessed a premium equal to 6 percent of loan principal.

Medium Risk Rate: If an institution's default rate was between 5 percent and 15 percent, the borrower's premium would be 10 percent and the school's premium, 5 percent of principal. The maximum loan to the borrower would be reduced by 10 percent from the amount the borrower would otherwise be eligible to receive. The institution would be required to submit to the Secretary for approval an annual default management plan, that shall specify the detailed short-term and long-term procedures that the institution will have in place to minimize defaults on loans.

High Risk Rate: If an institution's default rate was between 15 percent and 25 percent, the borrower's premium would be 10 percent and the school's premium, 10 percent of principal. The maximum loan to the borrower would be reduced by 25 percent from the amount the borrower would otherwise be eligible to receive. The institution would be required not only to submit to the Secretary for approval an annual default management plan (as required for medium risk institutions), but also would be required to become a co-signer of the loan. The Secretary could require a performance bond on behalf of the institution.

If an institution had a default rate over 25 percent, its students could not borrow under the HEAL program.

Lenders would be authorized to reduce by 50 percent a borrower's at-risk premium if a credit worthy parent or other responsible party co-signs the loan note.

The Secretary would be required to afford the institution not less than one hearing and could consider mitigating circumstances in assigning an institution to a risk category. The Secretary may grant an institution a waiver of requirements if the Secretary determines that—

(A) the default rate for the institution is not an accurate indicator because the volume of HEAL loans made by the institution has been insufficient;

(B) the borrowers that are in default are providing primary care in a medically underserved community;

(C) progress is being made to reduce the default rate of the institution; or

(D) the institution can justify the default record using other sources of information.

Effective January 1, 1992, an institution with 40 percent or more of its students coming from populations that are traditionally underrepresented in the health professions could not be ruled as ineligible to participate in the HEAL program for a 5-year period, but would be required to submit an annual default management plan.

An institution would be allowed to "payoff" outstanding principal and interest owed by defaulting students in order to reduce the risk category of the institution.

Elimination of Statute of Limitations for Loan Collections (new 733(j)): Effective for actions pending on or after the date of enactment of this Act, obligations to repay HEAL loans will be enforceable without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced.

Use of SLIF for Administrative Costs (734): The existing provision allowing use of funds in the HEAL Student Loan Insurance Fund for costs incurred in connection with the "collection or default of loans" will be amended to cover also costs of administration of the loans.

Preference for Participation in National Health Service Corps Loan Repayment Program (new 735(c)(1)): The bill provides that HEAL borrowers who enter and remain in the primary care fields of osteopathic general practice, general internal medicine, general pediatrics, and family medicine shall receive preference for participation in the National Health Service Corps Loan Repayment Program as established under Sec. 338B of the PHS Act.

HEAL Loan Repayment (735(c)): The existing authority for Federal repayment of HEAL loans of borrowers who agree to serve at least 2 years as a member of the National Health Service Corps or in specified private practice in a health professional shortage area designated under Sec. 332 of the PHS Act is amended to increase from $10,000 to $35,000 the maximum amount of loan repayment allowed per year of service.

The existing authority for waiver of a borrower's obligations under this authority are repealed. Instead, the bill provides that the obligation of a borrower to pay damages for breach of contract could be canceled only in the case of death, bankruptcy (but not within 5 years), or total permanent disability of the borrower.

Annual Report/Lists/Notices Concerning HEAL Defaults (new 737B): The bill establishes a statutory requirement for an annual report, starting September 30, 1992, to the Senate Labor and Human Resources Committee and the House Energy and Commerce Committee concerning HEAL default rates for each institution, lender, and loan holder participating in the program.

As part of the report, the Secretary would be required to compile and publish in the Federal Register a list of defaulting borrowers.

The Secretary further would be required to send notices of default of individual borrowers to relevant Federal agencies and to organizations such as State licensing boards, hospitals with which such borrowers may be associated, and specialty organizations.

Additional Provisions Relating to Participating Schools/Programs/Lenders (739(a)): The Secretary would be authorized to prescribe such regulations as might be necessary to provide for:

> The assessing of tuition or fees to HEAL borrowers in amounts that are the same or less than the amount of tuition and fees assessed to non-borrowers (i.e., prohibiting

schools from "passing through" default penalty fees to borrowers);

The submission by the institution and the lender to the Office of Health Education Assistance Loans (created by this bill) of information concerning each HEAL loan made, including the date when the loan was originated, the date when the loan was sold, the identity of the loan holder, and information concerning a change in the borrower's status;

The withholding of services, including academic transcripts, financial aid transcripts, and alumni services, by an institution from a defaulting borrower, except in case of a borrower who has filed for bankruptcy; and

The offering, by the lender to the borrower, of a variety of repayment options, including fixed-rate, graduated repayment with negative amortization permitted, and income dependent payments for a limited period followed by level monthly payments.

Each participating institution further is required to have, at the beginning of each academic year, a workshop concerning HEAL loan provisions that all student borrowers are required to attend.

Office for Health Education Assistance Loans (new 739B): The bill would establish within the Bureau of Health Professions an Office for Health Education Assistance Loans with the purpose of achieving a reduction in the number and amount of HEAL loan defaults. In carrying out this purpose, the Office would be authorized to:

(1) conduct analytical and evaluative studies concerning loans and loan defaults;

(2) carry out activities designed to reduce loan defaults;

(3) respond to special circumstances that may exist in the financial lending environment that may lead to loan defaults;

(4) coordinate with other Federal entities that are involved with student loan programs, including

(A) with respect to the Department of Education, to develop a single student loan application form, a single student loan deferment form, and a single disability form; and

(B) with respect to the Department of Justice to recover payments from health professionals who have defaulted on HEAL loans;

(5) provide technical assistance to lenders, services, and schools concerning deferments and collection activities;

(6) establish a central student loan database; and

(7) carry out any other activities that the Secretary determines appropriate.

To support the activities of the new Office, the Secretary is authorized to utilize in each of the fiscal years 1992 through 1996 not to exceed $1 million from the Student Loan Insurance Fund established under Sec. 734 of the PHS Act.

Loans to Disadvantaged Students (740(c)). This authority is extended through fiscal year 1996, with an authorization of $15 million per year.

Direct Student Loan Health Demonstration Program (new Sec. 765). The bill establishes a new Direct Student Loan Health Demonstration Program to examine the viability of such a program and determine (1) whether such a program would reduce default costs to the Government and provide loans on more favorable terms to students; and (2) whether the existing HEAL program should be replaced by a program in which health professions schools, rather than lenders, make such loans directly to students. Provisions of the program are:

Establishment: The Secretary will make assistance available to certain institutions who will utilize such assistance to make direct loans to health professions students to assist in meeting educational costs.

Funding: $50 million is authorized for each of the fiscal years 1992 through 1996 to provide support for this demonstration program.

Participating Institutions: The Secretary will select not to exceed twently (20) eligible institutions, ensuring to the maximum extent practicable that a wide range of health professions institutions participate (the Secretary may exclude any institution with a HEAL default rate in excess of 15 percent). Participating institutions will be required—

To meet HEAL eligibility requirements;

To have annually accepted for enrollment not less than 20 HEAL borrowers;

To prepare and submit an application containing such information as the Secretary may require, including demonstrable evidence that the institution possesses the administrative capacity to implement the direct loan program either in-house or through the employment of an outside entity;

To agree to assume full liability, as assessed by the Secretary, for errors relating to the origination of loans or other administrative responsibility of institutions;

To agree to provide all information and maintain such records as required by the Secretary in order to assist in the evaluation of the program; and

Otherwise to meet statutory requirements of the program.

Responsibilities of Institutions: Participating institutions will originate loans, conduct interviews with borrowers prior to the origination of loans, conduct exit interviews with borrowers (including the provision of all pertinent documentation as required by the Secretary), and assist collection agencies in locating and collecting repayments from borrowers who become delinquent.

Institutions will not be able to increase tuition and fees at a rate in excess of 150 percent of the increase in the cost of living in the previous year.

Not later than 15 working days after a borrower is determined to have lost status as a full-time student, the institution will be required to proceed with in-house collection activities or forward the borrower's loan to a collection agency selected by the Secretary.

Eligibility of Borrowers: Borrowers will be required to meet basic elgibility requirements for borrowers under the HEAL program contained in Sec. 731. However, individuals who had previously borrowed under the HEAL program will not be eligible for loans under the new program. Also, a borrower under the new program could not borrow under the HEAL until the expiration of the new program.

A borrower under the new program will be required to participate in an evaluation of the program.

Individual Loan Limitations: Individual loan limitations under the new program are the same as those under the HEAL program, i.e., $20,000 per year or an overall maximum of $80,000 for MODVOPP students, and $12,500 or an overall maximum of $50,000 for other eligible students.

Terms of Loans: The borrower will be required to sign a promissory note to the Federal Government agreeing to loan terms, including—

> Interest at the rate of 1 percent above the average of the bond equivalent rates of 91-day Treasury bills auctioned for the previous quarter, to accrue and be compounded annually;
>
> Payment of an origination fee equal to 3 percent of the principal amount of the loan, the proceeds of which shall be remitted to the Secretary to assist in offsetting the costs of administration of the program;
>
> Repayment to begin 90 days after the borrower is no longer a full-time student at the institution;
>
> Forbearance of repayment on the borrower's demand for a period of (i) not to exceed 5 years if the borrower is in an accredited postgraduate residency program; (ii) not to exceed 1 year beginning on the date on which the borrower leaves the institution if the borrower is not completing a residency or practicing in a medically underserved community; or (iii) not to exceed 5 years if the borrower is practicing in a medically underserved community;
>
> Loans may be canceled only in the case of death, total permanent disability, or bankruptcy (as permitted for HEAL borrowers under the provisions of Sec. 733 (of the PHS Act)).

During periods of forbearance, a borrower and an institution will be allowed to agree on a partial payment schedule based on the income and debt burden of the borrower.

In other respects, loan terms will be the same as those of Sec. 731 of the PHS Act covering HEAL loans.

Collection Agencies: To provide for collection of the new loans, the Secretary will be required to enter into contracts with not less than two collection agencies that have experience in Federal student loan collection, a comprehensive program of repayment options for borrowers, and modest costs; and that provide evidence of being able to work cooperatively with participating institutions.

Each participating school or program would be required to proceed with in-house collection activities or to select one of those collection agencies to collect its loans.

Collection agencies would be reimbursed by the Secretary for collection activities in an amount based on the number of students served.

Suspension of Institutions: The Secretary will be able to suspend the eligibility of any participating institution that the Secretary determines is not successfully implementing the program.

Evaluation: Not later than 1, 5, 10, and 15 years after enactment of this law, the Secretary will be required to evaluate the new loan program to identify any problems that need correction. The evaluation shall, among other things, assess the cost of the program to the Government, the cost of the program to the borrower, the cost of the program to institutions, the default record of institutions in the program compared to institutions under the HEAL program, administrative problems arising from the program, and the impact of the program on the borrower's choice of specialization and residency or practice decisions.

Termination of Program: The authority to make loans under the new loan program terminates 5 years after the date of enactment of this law.

Allied Health Loan Repayment (751): This authority is extended through fiscal year 1996, with an amendment to authorize repayment for practice in a medically underserved or rural community that can demonstrate a shortage of allied health professionals in a recognized discipline. Authorization is $5 million for each fiscal year 1992 through 1996.

Exceptional Financial Need (EFN) Scholarships (758): This authority is extended through fiscal year 1996, with an authorization of $30,000,000 for each fiscal year.

Lister Hill Scholarships (759): This authority, which has never been funded since its enactment in 1976, is repealed.

Scholarships for Disadvantaged Students (760): The bill authorizes appropriations for this program of $17 million for each of the fiscal years 1992 through 1996.

Faculty Loan Repayment Program (761): The bill allows loan repayment only for "new" faculty. Total Federal payments to an individual under the program in a year may not exceed 20 percent of outstanding principal and interest of loans. (The current limit is set at 50 percent of principal and interest due for such year.) The existing authorization of $4 million per year through fiscal year 1993, as contained in the Disadvantaged Minority Health Improvement Act of 1990, is to be replaced by an authorization of $5 million per year for each of the fiscal years 1992 through 1996.

Departments of Family Medicine (780): The bill extends this authority through fiscal year 1996, and:

Requires applicants with an existing department or division of family medicine to provide assurance that the applicant will secure financial support from non-Federal sources in amounts that shall increase annually, and that the applicant has developed a plan for future self-sufficiency;

Gives priority to applications that—

(1) establish new Departments of Family Medicine; or

(2) demonstrate the substantial expansion of program activities in existing Departments of Family Medicine; and

Provides $10 million for fiscal year 1992, increasing to $14 million for fiscal year 1996.

Area Health Education Center (AHEC) and Health Education and Training Center (HETC) Programs (781): These authorities are extended through fiscal year 1996 with various provisions:

Preference to Applicants That will Establish New Programs: The bill would require that the Secretary, in making any awards under this section (AHECs, HETCs, and new State Matching AHECs as described below), give preference to applicants that will establish new center programs.

Priority to Applicants with Linkages to Schools of Public Health: The bill requires that priority in the award of funds under this section (AHECs, HETCs, and new State Matching AHECs) be given to applicants that establish linkages with a school of public health, if such a school exists within the area being served and desires to participate.

Miximum of 6 Years of Funding for Centers Developed Under Basic AHEC Authority: The bill provides that any agreement for establishment of an AHEC center under the basic AHEC program authority (Sec. 781(a)) shall remain in effect for a period of 6 years from the date on which the agreement was executed, Center program agreements will be required to be extended to the extent necessary to provide Federal funds for a 6-year period to all centers operated or developed with funds provided under the agreement. The Secretary may terminate an agreement upon determining that a center was not performing in a satisfactory manner.

HETC Program Amendments (781(f)): The existing authority for establishment of HETCs is amended to broaden the authority relating to U.S.-Mexico Border Area HETCs to include Centers addressing health personnel problems in "other high-impact urban or rural areas"; and to broaden the authority for establishment of other types of HETCs to refer specifically to "other high risk" as well as Hispanic individuals. Each Border Area or high impact HETC will be required to be located in a political subdivision of a State in close proximity to the U.S.-Mexico border or a high impact urban or rural area (as determined by the Secretary).

New Category of State Matching AHEC Programs (new 781(g)): The bill adds a new authority for awards to schools of allopathic or osteopathic medicine for AHEC programs that meet all existing statutory requirements for participating medical schools and centers and also will make available (directly through cash donations from public or private entities) non-Federal contributions in an amount that is not less than $1 for each $1 in Federal funds provided.

Medical or osteopathic schools operating programs under this new category of AHEC award further would be required to:

Create and maintain preceptorship educational experiences for health science students;

Develop or affiliate with community-based primary care residency programs;

Institute or coordinate with continuing education programs for health professionals;

Establish and maintain learning resource and dissemination systems for information identification and retrieval;

Enter into agreements with community-based organizations for the delivery of services supported under this authority;

Become involved in the training of nurses, allied and other health professionals and, where consistent with State laws, nurse practitioners and physician assistances;

Carry out recruitment programs for health science professions among minority and other elementary or secondary students from areas the program determines to be medically underserved; and

Carry out not less than three of the following activities:

(i) coordinate with the Office of Rural Health in the State that is operating in the area served by the center, where one exits;

(ii) administer appropriate National Health Service Corps program activities in the area served, except that the center shall provide only support services if the responsibility for such administration has been assigned to any other State agency;

(iii) work directly with local health departments in the area served;

(iv) participate in community and migrant health centers and similar provider activities in the area to be served; or

(v) cooperate with other federally and State funded health service provider recruitment and retention programs operating in the area to be served.

Amounts received under the new program are required to be sufficient to enable the State matching AHEC program to carry out demonstration projects concerning subjects determined appropriate by the Secretary, including, but not limited to:

Establishment of computer-based information programs or telecommunication networks that link health science centers and service delivery sites;

The provision of disease specific educational programs for health providers and students in areas of concern to the U.S.;

The development of information dissemination models to make available new information and technologies emerging from biological research centers to the practicing medical community;

The institution of new minority recruitment and retention programs, targeted to improved service delivery in areas the program determines to be medically underserved;

The establishment of State health service corps programs to place physicians from health professional shortage areas into similar areas to encourage retention of physicians and to provide flexibility to States in filling positions in health professional shortage areas; and

The establishment or improvement of education and training programs for State emergency medical systems.

Awards to programs under the new authority may not exceed $2 million per year per State (or per program where the program serves more than one State) or an aggregate amount based on an average award of $250,000 per center to be supported in the States in which the program is operating, whichever is less.

Of amounts received by a State matching AHEC program, at least 75 percent is required to be distributed to AHECs within the area served, through a formal agreement. Funds received are required to supplement, not supplant, State funds provided for similar programs prior to the establishment of the new program.

AHEC/HETC Authorizations: The bill authorizes appropriations for AHECs other than Health Education and Training Centers (HETCs) at a total of $40 million for each of the fiscal years 1992 through 1996. Of this amount, not more than 20 percent or up to $4 million, whichever is less, could be obligated for special AHEC initiatives undertaken by previously funded AHEC programs under Sec. 781(a)(2).

Any amount appropriated in excess of $19.2 million (or, starting in fiscal year 1994, $18.7 million) will be used to carry out the new State matching AHEC program authority. Of this amount, not more than 10 percent may be used to fund demonstration projects under the new program.

The bill continues to provide for a separate authorization for HETCs, rising from $5 million for fiscal year 1992 to $9 million for fiscal year 1996. The provision earmarking 50 percent of HETC appropriations for Border HETCs is amended to add authority for funding of Native American HETCs out of this set-aside.

Centers of Excellence in Minority Health (782): Schools of osetopathic medicine, schools of public health, and graduate programs in clinical psychology are added to the schools (medicine, dentistry, and pharmacy) already eligible for support under the Centers of Excellence program.

The Secretary is authorized to enter into contract as well as make grants for program purposes.

Authorization levels for the program are $28 million for each of the fiscal years 1992 through 1996. The first $12 million of funds appropriated will continue to be required to be made available to four historically Black schools. The next $5 million (instead of $2.5 million) is required to be made available for Hispanic or Native American Centers of Excellence.

Training in General Internal Medicine and General Pediatrics Training Authority (784): This authority is extended through fiscal year 1996, with authorization levels rising from $35 million for fiscal year 1992 to $39 million for fiscal year 1996.

The bill amends the authority, which currently is restricted to residency and faculty training, to allow support also for training of undergraduate medical students and practicing physicians. So amended, the authority is similar to the existing Family Medicine Training authority.

General Practice of Dentistry Residency Training (785): This authority is extended through fiscal year 1996, with a modification that allows funding of innovative, nontraditional models for the provision of postdoctoral General Dentistry training. Authorization levels are $8 million for fiscal year 1992, increasing to $12 million for fiscal year 1996.

Training in Dental Public Health (new 785A): The bill adds new authority for the Secretary to make grants to, or enter into contracts with, schools of dentistry, schools of public health, accredited postgraduate dental training institutions, or State or local public health agencies to assist such entities in meeting the costs of projects—

(1) to plan, develop or participate in new residency programs and expand or improve existing residency programs in dental public health; and

(2) to provide financial assistance in the form of traineeships to dental residents or practicing dentists who participate in such training programs and plan to work in the field of public health.

Applicants under the new dental public health training authority are required to have available full-time faculty or staff with training and experience in the field of public health, preventive dentistry or community dentistry and other related specialties or disciplines. Authorization level is $1 million for each of the fiscal years 1992 through 1996.

Family Medicine Training (786): This authority is extended through fiscal year 1996, with authorization levels rising from $50 million for fiscal year 1992 to $54 million for fiscal year 1996.

In place of the existing priority for applicants demonstrating a commitment to family medicine in their medical eduction training programs, the bill provides for perference to applicants who demonstrate such a commitment and who demonstrate a substantial linkage to one or more medically underserved or rural communities.

After October 1, 1993, only those schools or hospitals with departments, divisions, or other units with approved residencies providing clincial instruction in family medicine will be eligible to receive assistance.

Physician Assistant Training (old 788(d), new 786A): This authority becomes a separate categorical authority with its own section number (786A) which is extended through fiscal year 1996. Authorization levels are $8 million in fiscal year 1992, increasing to $12 million in fiscal year 1996.

Health Careers Opportunity Program (HCOP) (787): The HCOP authority is extended through fiscal year 1996 with amendments to—

Make graduate programs in clinical social work specifically eligible for assistance under the program;

Provide for preference (rather than priority) in the award or funds for schools that, by the end of a 3-year period commencing on the date of the grant award:

Increase enrollment of individuals from disadvantaged backgrounds by 20 percent over the enrollment in the base year 1987; or

(New) maintain such enrollment at a level exceeding 200 percent of the national average for such schools; secure financial support from non-Federal sources in amounts that increase annually; and involve or consult with appropriate State and local health and educational agencies and entities in the planning and conduct of the project; and

Allow payment of stipends to students in an amount not to exceed $40 per day.

Authorization levels are $36 million for fiscal year 1992, increasing to $40 million for fiscal year 1996.

Financial Assistance to Disadvantaged Health Professions Students (787): The existing 20 percent set-aside of HCOP appropriations for FADHPS scholarships is repealed.

Retention Program for Certain Health Professions Students (787A): The authority for supplemental grants to health professions schools that demonstrate sufficient graduation of students from disadvantaged backgrounds is extended through fiscal year 1996 with an annual authorization of $2 million.

Minority Faculty Development Training Fellowships (787B): The bill adds new authority for the Secretary to make grants to, or enter into contracts with, schools of MODVOPPP and other health professions schools or programs to increase the number of underrepresented minority faculty members at such schools by awarding fellowships to new faculty members of such schools. Authorization level is $2 million for each of the fiscal years 1992 through 1996.

Fellowships would be required to include a stipend not exceeding 50 percent of the regular salary of a similar faculty member's position up to a maximum of $30,000.

Schools and programs would be required to demonstrate ability to:

(1) identify, recruit and select individuals from underrrepresented minorities in health professions who have the protential for teaching, administration, or conducting research;

(2) provide such individuals with the skills necessary to enable them to secure a tenured faculty position, which may include training with respect to pedagogical skills, program administration, the design and conduct of research, grants writing, and the preparation of articles suitable for publication in peer reviewed journals;

(3) provide mentoring or other services designed to assist such minorities in their preparation for an academic career; and

(4) provide health services to rural or medically underserved populations.

Schools and programs further would be required to assure that—

(1) they will make available (directly through cash donations) $1 for every $1 of Federal funds received;

(2) institutional support will be provided for the individual for a second year at a level that is not less than the total amount of Federal and institutional funds provided in the year in which the award was made;

(3) the individual receiving the fellowship will be a faculty member of the applicant school; and

(4) the fellowship recipient will have, at a minimum, appropriate advanced preparation (such as a master's or doctoral degree) and special skills necessary to enable the individual to teach and practice.

For purposes of this program, the term "minority" is defined as "an individual from a racial or ethnic group that is underrepresented in the health professions." The Committee intends that the Secretary review the specific health professions and make individual determinations as to whether racial or ethnic groups are underrepresented therein.

2-year Medical School Grants (old 788(a)): This authority is repealed.

Grants for Studies and Demonstrations (new 788(a)): The bill provides new authority for the Secretary to award grants to and enter into contracts with public or nonprofit private entities to enable such entities to conduct studies and demonstration projects related to—

(1) the improvement of health professions education, including studies and projects to determine:

(A) the effectiveness of various methods of training health professionals (including nurses) to practice in primary care specialties or to provide services to underserved populations;

(B) the merits of major curricular innovations (such as the increased integration of undergraduate and graduate medical education and various approaches to interdisciplinary training);

(C) the effect of Medicare graduate medical education funding and medical research grant funding on medical schools and residency programs, particularly as such funding may affect institutional support for primary care training and student choices regarding medical specialty and location of practice;

(D) the effectiveness of education targeted toward meeting the needs of particular population groups (such as the elderly, women, children, adolescents, the disabled, individuals residing in rural areas);

(E) the impact of student indebtedness on specialty choice and practice location; and

(F) the impact of minority health professions programs in minority and majority schools on recruitment, retention, and practice choices of minority health personnel; or

(2) the assurance of the competency of health personnel, including studies and projects to determine:

(A) the effect on quality and service of adopting alternative approaches to the licensure and credentialing of health personnel;

(B) the efficacy of different approaches to providing for continuing competency of such personnel;

(C) the effectiveness and variation of state licensing authorities in identifying problem providers and undertaking disciplinary actions;

(D) the usefulness of various types of certification programs in assuring the quality of health personnel; and

(E) the appropriate differentiation of functions of various types and levels of health professions personnel.

Authorization levels for the new studies and demonstrations authority is $5 million for each of the fiscal years 1992 through 1996.

Model Education Projects Authority (old 788(b)): This authority is repealed.

Chiropractic Training and Demonstration Projects (new 787(b)): The bill provides new authority for grants to and contracts with accredited colleges and universities of chiropractic to assist in—

(A) meeting the costs of projects designed—

(i) to plan, develop, establish, expand and operate advanced degree programs or postdoctoral programs in chiropractic for the advanced specialty training of chiropractic health care professionals who plan to teach and conduct research;

(ii) to support interdisciplinary training programs that promote the effectiveness of chiropractic in prevention, diagnosis and treatment of chronic lower back, musculoskeletal, and spinal problems;

(iii) to develop innovative models to link chiropractic, chiropractic education and chiropractic research;

(iv) to identify, recruit, and train individuals from disadvantaged backgrounds;

(v) to improve and strengthen curriculum by including or expanding knowledge and practice concerning disease prevention and health promotion; or

(vi) to develop new and innovative methods to train chiropractors to provide services in rural and medically underserved areas; or

(B) establishing a demonstration project to develop the collaboration of a college or university of chiropractic and a traditional health professions academic institution training program, including medical schools, in addressing the manner in which to effectively integrate chiropractic into the traditional health care provider systems and medical education programs, with particular emphasis on the reduction of health care costs for lower and spinal-related back problems.

Funds may be used for stipends to students and faculty, establishment of a postdoctoral fellowship program, training of faculty in preparation for graduate and postdoctoral education and training; and the purchase of equipment and training materials.

A recipient of a grant or contract shall not use in excess of 5 percent of the funds made available for administrative expenses and not more than 5 percent of such funds for indirect costs.

Eligible applicants shall not include for-profit entities, either directly or through a subcontract or subgrant.

Applications for a demonstration project under (B) above are required to be jointly submitted by a college or university of chiropractic and by one or more of the following: State and local health departments; public and nonprofit colleges, universities, schools of allopathic or osteopathic medicine; or public or nonprofit hospitals.

Each application for an award under the new chiropractic training authority is required to be submitted to a peer review group for an evaluation of the merits of the proposals. The Secretary is required to establish such peer review groups as might be necessary, appointing such groups from appropriately qualified individuals who are not officers or employees of the United States. The peer review group would be required to consist of not more than 6 members, of which at least 3 shall be chiropractors, including one representative of the Consortium for Chiropractic Research, one representative of a college or university of chiropractic, and one practicing chiropractor.

The Secretary is required to expedite the awarding of grants and contracts under this authority. To the maximum extent practicable, awards should be made not later than 120 days after the date of the receipt of the final recommendation of the peer review group.

Not later than April 1, 1995, the Secretary is required to submit to the Senate Labor and Human Resources Committee, the House Energy and Commerce Committee, and the Senate and House Appropriations Committees' Subcommittees on Labor, HHS, Education, and Related Agencies a comprehensive report summarizing the applications submitted and the grants and contracts awarded and the effectiveness of programs established using such grants or contracts.

Separate authorizations are provided for projects under (A) above and demonstration projects under (B)—$1 million per year and $500,000 per year, respectively.

Preventive Medicine Residency Training (old 788(c), new 793): This authority restored the pre-1988 position as a separate categorical authority in Part G (Programs for Personnel in Health Administration and in Allied Health) of Title VII, and extends authorizations through fiscal year 1996. Authorization levels are $6 million in fiscal year 1992, increasing to $10 million in fiscal year 1996.

Podiatric Physician Residency Training (old 788(e), new 788(c)): This authority is redesignated Sec. 788(c) and is extended through fiscal year 1996, with a separate authorization of $1 million per year.

AIDS Training (788A): This authority is extended through fiscal year 1996 with authorization levels of $21 million in fiscal year 1992, increasing to $29 million in fiscal year 1996, and is and amended to, among other things—

Extend eligibility for awards to include "other public or private nonprofit health or educational entities";

Allow training of faculty with respect to the care of individuals at high risk of contracting HIV infection as well as those already infected;

Provide broad authority for training of health professions practitioners and students with respect to the diagnosis, treatment, and prevention of HIV infection; and

Develop and disseminate health professions curricula and related resource materials relating to the care of HIV-infected individuals and those at high risk of contracting the virus.

AIDS Care in Dental Schools (788A(f)): This authority is extended through fiscal year 1996, with authorization levels of $6 million in fiscal year 1996, increasing to $14 million in fiscal year 1996.

Geriatric Education Centers; Geriatric Medicine Faculty Fellowships (789(a) and 789(b)): These two authorities are extended through fiscal year 1996, with a single authorization of $26 million for each of the fiscal years 1992 through 1996 to cover both programs.

The Geriatric Education Center authority is amended to add schools of nursing to institutions eligible for awards.

The Geriatric Medicine Faculty Fellowship authority is amended—

To add geriatric psychiatrists to those who would be required to be trained;

To permit projects to be staffed by full-time teaching physicians in geriatric psychiatry, as an alternative to geriatric medicine;

To allow projects to be used in a department of geriatric psychiatry;

To eliminate the existing authority to support 1-year fellowships (which has been essentially unused); and

To allow 2-year fellowship training to be given to dentists who have relevant advanced training or experience, as an alternative to having completed postdoctoral training programs.

Public Health Special Projects (old 790A, renumbered 794): This authority for special project grants to schools of public health is renumbered Sec. 794 and extended through fiscal year 1996, with amendments to:

Emphasize activities that are appropriate with respect to meeting Healthy People 2000: National Health Promotion and Disease Prevention Objectives; and

Provide for projects to improve access to preventive services.

Grant recipients will be required to provide graduate students with comprehensive knowledge and skills, recruit candidates for graduate education in preparation for public service in specialities that are in short supply, strengthen existing departments of instruction to cope with specific and especially severe health problems, strengthen continuing education and non-degree teaching programs, and establish firm links with governmental and private health agencies and institutions as sites for field practice training.

The renumbering places the authority in Part G of Title VII, with other public health and health administration training authorities.

Authorization levels are increased to $10 million in fiscal year 1992, rising to $14 million by fiscal year 1996.

Grants to Graduate Programs in Health Administration (791): The existing authority for institutional grants to graduate programs in health administration is extended through fiscal year 1996, with an authorization level of $1.7 million for each of the fiscal years 1992 through 1996.

Health Administration Traineeships (791A): The existing authority for grants for health administration traineeships is extended though fiscal year 1996 at an authorization level of $1 million each year.

Public Health Traineeships (792): This authority is extended through fiscal year 1996 at authorization levels of $10 million for fiscal year 1992, increasing to $14 million for fiscal year 1996, with amendments to:

Emphasize the preparation of increased numbers of graduate students to serve Healthy People 2000: National Health Promotion and Disease Prevention Objectives; and

Require that traineeships be awarded primarily to—

(A) minority and disadvantaged students;

(B) physicians, scientists and engineers who are determined by the Secretary to be in short supply in the public health field;

(C) students in other areas of severe personnel shortage such as epidemiology and preventive medicine; and

(D) students committed to service that involves severe health problems that are targeted in the Healthy People 2000 Objectives.

In place of existing percentage set-asides of funds for particular types of traineeships, the bill would provide for preference to projects that—

(A) provide for increased involvement of State and local governments in the planning and support of training initiatives; and

(B) can demonstrate effectiveness in meeting priority health care needs of underserved populations.

Allied Health Special Projects (796): The existing allied health special project authority is replaced by a modified authority for three types of allied health project grants and contracts:

(1) Grants and contracts to assist eligible entities in increasing program enrollments or establishing training programs that will increase the number of individuals in those allied health professions with demonstrated personnel shortage (including occupational therapy, physical therapy, respiratory therapy, clinical laboratory personnel and dental hygienists) to serve in medically underserved or rural communities. Examples of possible programs and activities include:

The expansion of program enrollments in those professions with the greatest shortages and whose services are most needed by the elderly;

The provision of rapid transition training programs in allied health fields to individuals who have baccalaureate degrees in health-related sciences;

The establishment of innovative outreach programs linking academic resources with rural clinical settings to establish community-based allied health training programs;

The development of interdisciplinary training programs that promote formal education and professional certification of allied health professionals in more than one discipline;

The provision of career advancement training for practicing allied health professionals;

The expansion or establishment of clinical training sites in medically underserved or rural communities, in order to increase the number of individuals trained in these sites.

(2) Grants and contracts to assist eligible entities in planning, developing, establishing and operating projects related to:

The development of a curriculum that will emphasize knowledge and practice concerning prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics;

The expansion or establishment of interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly;

The expansion or establishment of demonstration centers to emphasize innovative models to link allied health clinical practice, education, and research;

The improvement and strengthening of the effectiveness of allied health administration, program directors, faculty, and clinical faculty.

(3) Grants to and contracts with training centers for allied health professions for projects designed to provide financial assistance in the form of traineeships to students pursuing a career in the allied health fields that have demonstrated shortages and who agree upon completion of their training program to practice in a medically underserved or rural community.

In making awards under any of these authorities, the Secretary is required to give preference to applicants that plan to increase their first-year enrollments by not less than 10 percent over the number of such enrollments in 1991.

"Eligible entities" is defined as (1) public or private nonprofit schools, universities, or other educational entities that provide for allied health personnel education and training and that meet such standards as the Secretary may by regulation prescribe; or (2) other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects.

The authorization for all three categories of projects is $8 million in fiscal year 1992, increasing to $12 million in fiscal year 1996. Of funds appropriated, not less than 70 percent shall be made available for the first category; not more than 10 percent, for the second category; and not less than 20 percent for the third category.

Allied Health Traineeships (797): This authority, which has not been funded since being reinstated in 1988, would be extended through fiscal year 1996 with amendments to authorize grants to or contracts with training centers for allied health professions to:

Plan develop, establish, expand, and operate postbaccalaureate (formerly limited to doctoral) programs for the advanced training allied health professionals in demonstrated shortages who commit to teaching (formerely "teach and conduct research") in an allied health training program; and

Provide financial assistance in the form of traineeships or fellowships to postbaccalaureate (formerly doctoral) students who are participants in any such program and who commit to teaching in an allied health discipline.

The bill gives preference in the award of grants to projects that can demonstrate that not less than 50 percent of graduates during the preceding 2-year period are engaged as full-time teaching faculty in an allied health shortage specialty or the number of graduates so practicing has increased by not less than 50 percent of the proportion of such graduates for the previous 2-year period;

The bill limits grants and contracts to those allied health fields or specialties as the Secretary shall, from time to time, determine to have:

(1) the most significant national or regional shortages of practitioners including clinical laboratory technologists, respiratory therapists, dental hygienists;

(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; or

(3) a significant role in the care and rehabilitation of patients who are elderly or disabled including physical therapists and occupational therapists.

The bill increases authorization levels from $8 million in fiscal year 1992 to $12 million in fiscal year 1996. Any funds appropriated would remain available unil expended or through fiscal year 1996.

Educational Assistance to Disadvantaged Individuals in Allied Health Training (old 798). This authority is repealed.

Division of Allied Health (new 978): The bill requires the Secretary to establish within the Bureau of Health Professions a Division of Allied Health, the purpose of which would be to exercise responsibility over Title VII allied health programs, including oversight over the proposed Subcommittee on Allied Health of National Advisory Council on Health Professions Education and other related matters concerning allied health professions.

Council on Graduate Medical Education (799): The bill requires the Council, in addition to its present functions, to provide advice and make recommendations with respect to:

The adequacy of current and future supplies of primary care physicians to serve health professional shortage areas and underserved areas and populations;

The effect of Medicare graduate medical education funding and medical research grant funding on medical schools and residency programs, particularly as such funding may affect institutional support for primary care training and student choices regarding medical specialty and location of practice; and

The inclusion of health promotion and disease and disability prevention as a part of graduate medical education, in order to address those objectives contained in Healthy People 2000 objectives relevant to the provision of preventive services and education of health professionals.

Appointed members of the Council would be required to include physicians practicing in a medically underserved or rural community;

The existing authorization of $1 million per year, which has never been implemented, would be extended through fiscal year 1996.

Rural Health Training Program (799A): This authority is extended through fiscal year 1996 at authorization level of $10 million for fiscal year 1992, increasing to $14 million in fiscal year 1996, with modification to project purposes, require "maintenance of effort" in non-Federal funding, and the addition of new eligible applicants.

New purposes for which funds could be used would include:

Conduct of research concerning the social and psychological processes involved in health-related decisionmaking, the perception of assessments of risk, and health risk reduction relating to individuals in rural areas; and

Design of training models for rural areas that focus on illness prevention and health promotion that may include programs in areas such as (i) rehabilitation, (ii) health concerns of minorities or economically disadvantaged individuals, (iii) environmental health, (iv) women's health, (v) infant, prenatal, and developmental care, (vi) adolescent health, (vii) the process of health-care seeking, decisionmaking, and compliance behavior, (viii) developmental life span perspective, (ix) rural occupational health and safety, (x) geriatrics, and (xi) other areas determined to be appropriate by the Secretary.

Existing provisions relating to methods that may be used in carrying out projects are amended to delete authority to purchase or rent transportation and telecommunication equipment.

Grant recipients would be required to use funds to supplement, not supplant, amounts made available by the institution for similar activities in the preceding fiscal year.

Graduate programs in clinical psychology, clinical social work, and marriage and family therapy are eligible to obtain funds under this program.

The definition of "rural" is changed to refer to geographic areas that are located outside of standard metropolitan statistical areas. (Currently, the term is defined as including "a frontier area, which is an area in which the population density is less than 7 individuals per square mile".)

Advisory Council on Medical Licensure (new Sec. 799D): The Secretary is required to establish a Council on Medical Licensure to provide advice regarding the establishment and operation of the system established by the American Medical Association for the purpose of verifying and maintaining information regarding the qualifications of individuals to practice medicine; and advice regarding the establishment and operation of any similar system.

### *Activities of Council*

The Council is required to:

(i) monitor and review the operation of the private credentials verification system and develop recommendations regarding methods by which the system can be improved, and make recommendations for the establishment of nondiscriminatory policies and practices for the operation of the system;

(ii) determine to what extent the system has expedited and otherwise improved the efficiency and equitable operation of the process in the States for licensing individuals to practice medicine who previously have been licensed by another State (commonly known as licensure by endorsement); and

(iii) review the policies and practices of the States (including any relevant laws) in licensing international medical graduates and in licensing domestic medical graduates, and determine the effects of the policies.

### *Council Members*

The Council will consist of 13 voting members, designated or appointed by the Secretary, after consulting with relevant organizations, as follows:

1 HRSA official or employee who is a graduate of a U.S. medical school;

1 individual from an organization representing State authorities that license individuals to practice medicine;

1 individual representing a national organization that represents practicing physicians in the U.S.;

1 individual representing an organization in the U.S. that tests international medical graduates (IMGs) regarding medical knowledge;

1 individual representing an organization in the U.S. that tests individuals who are graduates of U.S. medical schools regarding medical knowledge;

1 physician representing a medical school or medical schools in the U.S.;

1 individual who is a representative of the private credentials verification system;

1 individual who is a graduate of a U.S. medical school, licensed to practice medicine in a State for at least 20 years, and who has applied for and received licensure by endorsement within the past 5 years;

1 IMG who represents a coalition representing IMGs;

1 individual who is a native of the U.S. who is a graduate of a medical school located in a country other than the U.S. or Canada;

1 IMG who is a native of a country located in southern or eastern Asia (including southern or eastern Asian islands) and who is a graduate of a medical school in that country;

1 IMG who is a native of a European country; and

1 IMG who is a native of a Latin American or Caribbean country.

At least one appointee should be practicing in a medically underserved or rural area as defined in Sec. 711(c).

Termination of Council. The Council will continue in existence until the submission of its final report or not later than September 30, 1995, whichever is earlier.

### *Annual Reports by Council*

The Council is required to report annually to the Secretary, the Senate Committee on Labor and Human Resources, and the House Committee on Energy and Commerce on its findings and recommendations.

### *Final Report Regarding Credentials Verification System*

Not later than September 30, 1995, the Council is required to prepare and submit to the Secretary and the respective congressional committees a final report that shall include recommendations regarding the Council's activities, including a determination as to whether the private credentials verification system is operating with a reasonable degree of efficiency and whether the policies and practices of the system are nondiscriminatory.

If the Secretary determines that the private verification system fails to meet either of the above criteria, the Secretary, in consultation with the Council and relevant organizations, would be required to make a recommendation concerning the establishment of an alternative private system and concerning the specification for such a system.

*Studies of State Licensure Process*

With respect to the licensure by the States of individuals to practice medicine, the Secretary, in consultation with the Council, is required annually to conduct a study of not less than 10 States for the purpose of determining—

(A) the average length of time required for the States involved to process the licensure applications of domestic medical graduates and international medical graduates, respectively, and the reasons underlying any significant differences in such times; and

(B) the percentage of licensure applications from domestic medical graduates and international medical graduates, respectively, that are approved, and the reasons underlying any significant differences in such percentages.

Each fiscal year, the Secretary is required to submit a report to the Senate Labor and Human Resources Committee and the House Energy and Commerce Committee describing the findings of the above study for the fiscal year.

Definition of Nondiscriminatory: For purposes of these provisions, the term "nondiscriminatory", with respect to policies and practices, would be defined as meaning that the policies and practices do not discriminate on the basis of race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation.

Assurance of Resources: The Secretary shall ensure that necessary additional resources are made available to implement the provisions of this section.

Repeal of Facilities Construction Grant Authorities: The bill repeals Part B of Title VII relating to grants and loans for construction of health professions teaching facilities, which has not been funded in recent years.

Grants for Postdoctoral Fellowships in Clinical Psychology, Clinical Social Work, and Psychiatry (new 799G): A new program of postdoctoral traineeships and fellowships in clinical psychology, clinical social work, and psychiatry is established to train individuals and provide mental health services in Federal, State or local prisons or correctional facilities or public mental health facilities. Authorization levels are $5 million for each of fiscal years 1992 through 1996.

Immigration and Nationality Act Provisions Relating to Tests for International Medical Graduates (Secs. 212(a)(5) and (32) and (1)(I) of INA): Immigration and Nationality Act provisions requiring certain alien international medical graduates to pass Parts I and II of the National Board of Medical Examiners examination, or an equivalent examination, as a condition of entering the U.S. as an immigrant or exchange visitor would be amended to require instead that the individuals pass "medical science examinations administered by the Educational Commission for Foreign Medical Graduates to graduates of foreign medical schools and approved by the Secretary of HHS for purposes of the law."

### TITLE II—PROVISIONS RELATING TO TITLE VIII (NURSE EDUCATION)

Nursing Special Projects (820): This authority is extended through fiscal year 1996 with amendments—

to require that continuing education projects be focused on education for nurses serving in medically underserved or rural communities;

to permit support of nursing education courses to rural areas generally (no longer requiring the courses to be provided through telecommunications via satellite);

to specify that methods to improve access to nursing services in noninstitutional settings include providing nursing care as a component of nursing training in one or more medically underserved or rural communities;

to broaden the project purpose relating to development of innovative hospital nursing practice models (to reduce vacancies and make hospital positions a more attractive career choice) to include innovative nursing practice models in primary care and long-term care settings;

to delete project purposes relating to the development of a loan repayment clearinghouse and the establishment of geriatric education centers; and

to add a project purpose relating to assessment of the effectiveness of providing incentives to practice in rural and underserved areas.

The bill eliminates existing appropriation set-asides for particular project purposes.

Advanced Nurse Education (821): this authority is extended through fiscal year 1996 with authorizations increasing from $20 million for fiscal year 1992 to $24 million for fiscal year 1996.

Nurse Practitioner/Nurse Midwife Training (822): This authority is extended through fiscal year 1996 with amendments—

to eliminate existing special considerations for programs for the training of nurse practitioners and nurse midwives who will practice in health professional shortage areas (HPSAs) designated under Sec. 332 of the PHS Act and for programs which emphasize education respecting the special problems of geriatric patients;

to indicate that the care to be provided by nurse practitioners and nurse midwives trained under this program need not be exclusively primary care;

to amend the authority (not implemented in recent years) for service-conditional nurse practitioner traineeships to give preference, rather than special consideration, to applications for traineeships to train individuals who are residents of medically underserved or rural communities as defined in Sec. 711(c) (formerly limited to HPSAs);

to provide for increased authorizations, rising from $25 million for fiscal year 1992 to $31 million for fiscal year 1996.

Capacity Building in Nursing Education for Practice (new 823): The bill provides new authority for the Secretary to make grants to and enter into contracts with schools of nursing for the purpose of providing support (including traineeships and fellowships) for projects to enable the schools to develop resources or strengthen programs or faculty to address Year 2000 Health Objectives. Authorization amounts are $1.5 million in fiscal year 1992, increasing to $3.5 million in fiscal year 1996.

In making awards, the Secretary would be required to give special consideration to applications submitted by—

schools that provide outreach programs that are taught in medically underserved or rural communities (as defined in Sec. 711(c)) in which advanced nursing education is not readily available or that, as a result of such location, may have difficulty recruiting qualified faculty, or

schools that can demonstrate that graduates of the nursing program serve rural or underserved populations.

Nursing Disadvantaged Assistance (827): This authority is extended through fiscal year 1996, with $5 million authorized for fiscal year 1992, increasing to $7 million for fiscal year 1996.

Professional Nurse Traineeships (830): This authority is extended through fiscal year 1996 with amendments—

to allow traineeship support of non-nurses enrolled in master's degree nursing programs (joint R.N.-master's programs) after completion of basic nursing preparation as defined by the school of nursing consistent with nursing practice acts;

to eliminate the existing authority for support for postbaccalaureate faculty fellowships; and

to eliminate the existing 25 percent set-aside of appropriated funds for grants for traineeship programs for students who are enrolled at least half-time in master's programs and who are in their final year of training.

Authorization levels increase from $17 million in fiscal year 1992, increasing to $25 million in fiscal year 1996.

Nurse Anesthetist Training (831): This authority is extended through fiscal year 1996, with authorization levels of $3 million in fiscal year 1992, increasing to $7 million in fiscal year 1996.

Primary Care Nurse Training Program (new 832): The bill provides new authority for the Secretary to make grants to schools of nursing for the establishment or expansion of clinical training sites or training affiliations that shall be administered by the schools. $5 million is authorized for each fiscal year 1992 through 1996.

Nursing Loan Repayment Program for Service in Certain Health Facilities (837A): This authority is extended through fiscal year 1996, with authorization levels of $5 million for fiscal year 1992, increasing to $9 million in fiscal year 1996.

Nursing Student Loans Excess Cash (838): Any funds returned to the Government as NSL excess cash would be reserved for redistribution among other NSL school loan programs "until expended" (instead of only "in such fiscal year and in the fiscal year succeeding the fiscal year").

Nursing Student Loans (839): The bill changes from 1994 to 1999 the date for starting the distribution of assets (i.e., the return of the Federal share of school loan funds to the Federal Government) under this program.

Nursing Undergraduate Scholarships (843): This authority is to be extended through fiscal year 1996 with an added provision that requires scholarship recipients to serve as a nurse for a period equal to the number of years of the scholarship award. The existing service requirement of a minimum of 2 years would be repealed. Appropriation levels are $30 million for fiscal year 1992, increasing to $34 million for fiscal year 1993.

Nursing Loan Demonstrations (847): This authority is repealed.

Nurse Education Grants With Respect to Service in Long-Term Care Facilities (new 848): The bill provides new authority for the Secretary to make grants to undergraduate schools or programs accredited for the training of professional nurses for the purpose of providing fellowships to licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel to assist such individuals in obtaining professional nursing education to attain the level of registered nurse.

In providing fellowships, schools or programs will be required to give preference to (1) disadvantaged and minority individuals who are underrepresented in the nursing profession, as determined in accordance with appropriate criteria established by the Secretary; and (2) individuals participating in rapid transition programs targeted towards the achievement of professional nursing degrees.

Requirements for the award of fellowships to individuals include:

(1) The individual must be enrolled or accepted for enrollment as at least a half-time student in the requisite program.

(2) Fellowship funds may be used only for tuition, books, fees, reasonable living expenses, or necessary transportation.

(3) The individual agrees to repay the fellowship plus interest at 5 percent per year if the individual is dismissed for academic reasons, voluntarily terminates training, or fails to perform required service as described below.

(4) The individual must enter into a contract with a long-term care facility certified under the Medicare or Medicaid programs to engage in full-time employment at the higher level of professional skill acquired for a period of time equal to not less than the period of time during which the individual receives assistance.

Grantees could use funds to—

(1) establish clinical training sites or new training affiliations to be run and staffed by the faculty and students of the school, to provide nursing students with training in the delivery of primary care in rural areas or in areas on or within 50 miles of Indian country;

(2) provide for all aspects of clinical training program development, faculty enhancement and student scholarships; and

(3) carry out any other activities determined appropriate by the Secretary.

Training sites would be required to be designed to provide at least 25 percent of the school's nursing students with a structured clinical experience in primary care.

The Committee authorizes $5 million for each of the fiscal years 1992 through 1996.

Prohibition Against Discrimination (855): The existing requirement that schools and programs receiving assistance under Title VIII programs provide assurances that they will not discriminate on the basis of "sex" in the admission of individuals to training programs is broadened to cover discrimination on the basis of "race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation".

Assurance with Respect to Instruction on Prevention of Transmission of Bloodborne Diseases (new Sec. 860): The bill establishes a new requirement for assurances by any applicant that all trainees will receive instruction in the utilization of universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases.

## V. COMMITTEE VIEWS

### TITLE I—PROVISIONS RELATING TO TITLE VII (HEALTH PROFESSIONS)

The Committee recognizes that the Bureau of Health Professions does not receive direct funding during the appropriations process for program operations. The Committee also acknowledges that the implementation and administration of the various new programs and the management of various functions require additional resources. These functions include the Division of Allied Health, the Subcommittee on Allied Health of the National Advisory Council on Health Professions Education, the collection and analysis of new data with specific requirements including the provision of information in support of the Institute of Medicine study, and the Advisory Council on Medical Licensure. The Committee strongly recommends that the Secretary provide the Bureau of Health Professions with sufficient additional resources to carry out these mandates.

In addition, the Committee strongly recommends that the relevant appropriations committees provide sufficient funding to ensure appropriate functioning of these programs to meet national goals and increase the numbers of health professionals, including allied health, in primary care fields and specialties, and in medically underserved and rural areas.

Definitions (701): The Committee attempted to address the issue of the definition of allied health, but notes that there is no agreement among the various allied health disciplines on a positive definition. It is the strong recommendation of the Committee that the newly designated Subcommittee on Allied Health Professions work to improve the current American Medical Association definition ("a large cluster of health-related personnel who assist, facilitate and complement the work of physicians and other health care specialists").

Subcommittee on Allied Health of National Advisory Council on Health Professions Education (new 702(e)): The Committee believes that it is extremely important to achieve a better and more comprehensive understanding of the various issues in the fields of allied health. The Subcommittee on Allied Health has been designed to include representatives recommended for the interagency task force on allied health included in the Secretary's 1988 Report to the Congress. The Committee strongly urges that the recommendations of the Institute of Medicine report on Allied Health Services become a part of the deliberations of the Subcommittee on Allied Health. These recommendations specifically concern issues of the "illogic of the overlay of state licensure, voluntary organization credentialing of individuals, state regulation of educational programs and health facilities and health facility quality assurance activities" that contribute to inefficiencies and shortages. As necessary, the subcommittee and the secretary should consider supporting a study as a follow-up to the IOM report to assess alternative approaches to licensure and credentialing and undertake cross-state comparisons.

In conducting the assessment of alternative routes for certification of the competence of individuals to serve as clinical laboratory technologists, due by October 1, 1993, the Subcommittee should review the use of competency-based examinations as only one of the various alternatives available for certification, including experience, and education.

Discrimination Prohibited (704): Rather than prohibit discrimination only on the basis of sex, the Committee has brought up to date the provisions of non-discrimination regarding any funding under Titles VII and VIII. These include characteristics already prohibited under more general legislation, and also includes religion, marital status, and educational affiliation. Discrimination based on educational affiliation includes discrimination that is based on graduation from a foreign medical school.

The scope of this section accords with statutory requirements already imposed upon recipients of Federal funds. The Committee does not intend by adding "educational affiliation" to prevent a school or program from legitimate assessment of an applicant's or student's educational qualifications based upon the course work completed. We intend, however, that such assessment be done for each individual on a case by case basis. Blanket rejections of those who attend certain institutions or who are foreign graduates, based solely on where they studied, should not be permitted absent strong authority as to major, recognized deficiencies in the educational quality in those institutions.

The Committee recognizes that admissions policies seek to increase diversity of the student body. Such policies are not discriminatory under this section and nothing in this section is intended to prohibit such practices.

The Committee recognizes that persons with some types of disabilities may not be able to perform certain aspects of education and practice, and that accommodations for all disabilities may not be possible in the teaching environment. Schools, however, should review each such applicant/student's case and make a bona fide effort to make reasonable adjustments to accommodate these individuals.

Health Professions Data (708): Data on numbers, location, mobility, recruitment and retention of all health professions is important to an understanding of whether national needs are being met and to monitor the effectiveness of the programs authorized by this legislation.

In particular, it is critical to document sources and shortages of allied health professionals. Allied health consists of many discrete disciplines, for which there is no national, uniform data base. The absence of an information system that adequately describes allied health jeopardizes decision-making and policy formulation about the education, research, and characteristics of the workforce. An allied health information system is needed that describes allied health supply and demand/requirements; the status of educational programs, their enrollment, student career choices, practice specialty, and geographic placement of graduates, including service in health professions shortage areas and service to medically underserved areas and populations; and characteristics of the workforce.

Data on supply and need characteristics of the nursing profession are also extremely critical in that the profession is asked to respond to requests for information regarding nursing resources in the country. These data are essential for making program and policy decisions as well as for determining the effectiveness and continuing need for the programs.

The Committee requests that the Secretary's upcoming biennial reports, due to the Congress in March 1992 and March of 1994, include at a minimum data, analytical findings and policy recommendations on the following programs and initiatives:

a progress report on the study of clinical laboratory technologists underway under the auspices of the Subcommittee on Allied Health;

a review of the accomplishments of the AHEC program;

a progress report on progress toward meeting projected goals in the physician assistant program; and

a report on progress in implementing the new program preference and priority policies established in this bill, in establishing the new offices of the Division of Allied Health and Office for Health Education Assistance Loans, the Subcommittee on Allied Health, the Advisory Council on Medical Licensure.

Assurances with Respect to Instruction on Prevention of Transmission of Bloodborne Diseases (709(c)): The Committee believes that it is critical that all health professions trainees receive instruction in universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases. All applicants for funding under Titles VII and VIII of the PHS Act will be required to provide assurance that such instruction is included in the curriculum.

Priority/Preference in Award of Title VII and Title VIII Grants (711): By establishing priorities, and effective, in fiscal year 1995, by giving preference in the award of grants, the bill assures that training programs make progress toward the objectives of Healthy People 2000 and that they place graduates in settings or facilities which have as a significant focus the care of residents of medically underserved or rural communities.

The Committee intends that individuals who work or practice in public hospitals, or in State and local health departments would be among those qualifying as performing service for a medically underserved community. Also, service for a medically underserved community could be provided in clinical facilities, a significant proportion of whose patients are recipients of benefits under Title 19 of the Social Security Act (Medicaid) or under other Federal or State programs designed to assist underserved individuals.

The Committee's chief purpose under this section is to create a strong incentive structure for rewarding training programs which show significant needs of medically underserved and rural communities. It is the Committee's view that because funds are limited under Titles VII and VIII, they should be focused as effectively as possible on the areas of greatest need.

This section specifies that medical, nursing, and other health professions programs with a high rate of placement in practices serving medically underserved and rural communities will be awarded priority for receiving federal grant assistance under Titles VII and VIII. Schools may also receive such priority if they develop programs aimed specifically at increasing placement rates to practices serving such communities. Such programs may include (but are not limited to) clinical rotations to underserved settings, development of preceptorships with practitioners in such settings, service-contingent scholarship programs, or the targeted recruitment of students likely to choose medically underserved or rural practices.

Beginning in 1995, this section also establishes funding preferences for programs which can demonstrate at least a 20 percent placement rate of graduates into practices which focus on serving medically underserved or rural communities, or which can demonstrate at least a 50 percent increase in such placements over the previous two years. The intent of including these preferences is to provide an additional, stronger incentive for the development of programs with an exceptionally strong commitment to meeting the needs of medically underserved or rural communities. To better encourage the quality of applicants receiving such preferences, the Committee has also specified that preferences shall be awarded only to those applicants which score in the upper 80 percent of approved applications.

It is the Committee's desire that particular emphasis should be placed on the development of clinical rotations to underserved settings, and especially those that involve as large a proportion of a school's students as possible. the Committee also wishes to stress the value and importance of appointing as clinical preceptors practitioners whose practices serve medically underserved or rural areas.

Finally, the committee intends that the determining factor in assessing an institution's placement rate under this section shall be whether or not the actual clinical work of an individual graduate is substantially focused on meeting the needs of medically underserved or rural populations, rather than whether or not a facility with which they may be affiliated also addresses such needs.

The Committee has not specified all those health professions or specialties that are designated as shortages: rather the Committee indicates that all primary care fields are designated as shortages, and, in addition, physician assistants, nurses, and those allied health fields that were identified by the IOM study on Allied Health Services. The Committee also intends that the Secretary continuously review and update information regarding those fields that are to be designated as shortages.

Office of Technology Assessment Evaluation and Report (713): Six months prior to the next reauthorization of Titles VII and VIII, the Committee expects to have received a comprehensive OTA report directed to effectiveness of the programs to achieve stated goals, including alleviating shortages, encouraging practice in underserved and rural communities, relative effectiveness of the various funding mechanisms, the duration of service of former program participants in medically underserved or rural communities and the geographic distribution of former program participants. In this context the Committee requests that the OTA include in its study a review of the continued fragmentation of funding to categorical groups of health professionals, and recommend alternative models of funding the training of health professionals.

In particular, the OTA study should include a review of shortage fields, including an update of the IOM study on Allied Health Services, and should make recommendations regarding future needs for health administration programs under sections 791 and 791A.

Student Assistance (727-739): The Committee has made various improvements to the health Education Assistance Loan Program that should reduce the student default rate and restore credibility to the program. Performance standards are imposed on institutions, lenders and loan holders, with students and institutions subject to loan origination fees. Other improvements in HEAL policies and administration are included; the Committee fully intends that employees, schools, and others, including co-signers be able to purchase or pay off a borrower's loan. A new Office for Health Education Assistance Loans is created which, in support of duties established in the bill, should be responsible for providing certification to lenders and loan holders regarding whether borrowers are currently serving in primary care specialties and in medically underserved communities.

This bill amends the existing authority for Federal repayment of HEAL loans of borrowers who agree to serve at least 2 years as a member of the National Health Service Corps or in specified private practice in a health professional shortage area designated under Sec. 332 of the PHS Act, increasing the amount of Federal repayment from $10,000 to $35,000 for the maximum amount of loan repayment allowed per year of service. However, this section has never been funded, and the Committee urges the appropriation committees to fully fund this provisions which will provide further incentives for health professionals to practice in shortage areas.

With regard to the provision to send notices of default with respect to borrowers who are in default, it is the intent of the Committee that schools, school associations, professional associations and similar organizations and be among the groups to whom the annual reports are distributed.

A specific new provision has been added that limits lenders to pursuing judgments against borrowers from whom it is reasonable to expect that specific amounts can be collected during the six months following enforcement of the judgment. This should greatly reduce the burden and cost of unnecessary litigation. In setting forth rules under this section, the Secretary should work with lenders, loan holders and experienced collection counsel with collections expertise in the development of policies and procedures concerning documentation regarding the determination not to pursue such litigation. In developing these policies and procedures, the Secretary is urged to evaluate whether granting an exemption from the litigation requirement would cause lenders and/or loan holders to be less aggressive in working with borrowers to find a way to avoid defaults (through filing of deferment forms, granting of forbearance, tailoring an income sensitive repayment, etc.). The Secretary should also evaluate whether any such waiver would lead an increased number of borrowers to default on their HEAL loans due to a perception that the threat of litigation had been removed.

Direct Student Loan Health Demonstration Program (756): The Committee authorizes the establishment of a demonstration program that will make available loans to students in a variety of health professions from up to 20 institutions that choose to participate. Regulatory required evaluations should identify problems and determine the program's impact.

Loan Repayment Program for Allied Health Personnel (751): The Committee determines that this program should be focused on allied health personnel in designated shortage disciplines who practice in medically underserved or rural communities. The Committee strongly urges the appropriations committees to fund this extremely worthy and needed program.

Scholarships for Students of Exceptional Financial Need (758): The Committee strongly supports this section and recommends that the appropriation committees increase funding to make available necessary resources to MODVOPP schools to support the increasing costs of health professions education. This section provides needed assistance to economically disadvantaged students. The Committee maintains present eligibility for the MODVOPP schools even though additional professions desired to be eligible. The Committee feels that with limited resources and with some professionals having many programs, if eligibility were expanded to additional professions, the finite resources would be spread so thin as to be essentially ineffective in any of the professions.

The Committee desires that an emphasis be placed on providing support for students planning to enter primary care specialties.

Lister Hill Scholarships (759): This authority, which has not been funded since its enactment in 1976, is repealed.

Faculty Loan Repayment Program (761): There is a significant national shortage of minority and disadvantaged individuals serving on faculties of U.S. health professions schools. This program was established to allow an institution that has a focus on training significant numbers of disadvantaged and minority students to offer the incentive of loan repayment to a disadvantaged individual willing to serve on the faculty of that institution. The Committee wants to prevent faculty already at institutions and those making lateral moves between institutions from being eligible for this loan repayment and thus adds the criteria that faculty eligible for loan repayments should be newly employed and should not have served as a faculty member of any school within the previous 18 month period. Similarly, the proportion of the loan that could be paid by the Secretary is reduced to 20 percent to attempt to ensure that faculty remain in the schools that require their services. Further, the former restriction on payments of an amount equal to the percent of the principal and interest due on the loans for such year is removed to provide the authority for the Secretary to repay up to the $20,000 per year of the debt owed by the faculty member.

Departments of Family Medicine (780): The Committee believes that there will be a continuing shortage of primary care specialists, acknowledging the American Medical Association's projections of a much lesser increase in primary care practitioners than of other specialists between 1988 and 2010, as well as the data that show severe contrasts between metropolitan and non-metropolitan areas for primary care physicians. Thus, the Committee wants to encourage medical schools to ensure secure financial support; also in the future, program priority will be given to programs that establish new or expand existing departments. It is the intent of the Committee that all schools of allopathic and osteopathic medicine have departments of family medicine.

Area Health Education Centers (781): The Committee believes that it is important to maintain the national network involving over 105 active community AHECs, and further believes that this can best be accomplished by an infusion of non-Federal sponsors whose purposes complement the Federally-funded AHEC program. This has been done in the present bill in the establishment of a new state-supported program that will be funded in fiscal year 1992 and 1993 if appropriations under this section exceed $19,200,000 and by requiring a non-federal match of not less than $1 for every $1 of Federal funds for each year that funding is received.

The bill provides for priority in awarding AHEC contracts for applicants that establish new programs, as well as those that provide for linkages with a school of public health if such a school is within the area being served and desires to participate. The Committee also urges applicants to involve schools of pharmacy if such a school is within the area being served and desires to participate. If neither type of school is within the area being served, or the applicant provides evidence as a part of the application that the school does not desire to participate, the Committee intends that such applications will not receive prejudicial treatment during review.

The Committee requests that the Secretary review on a regular basis, at no longer than 5 year intervals, the impact of the AHEC program, including the identification of practice locations of health care personnel who have received training in AHECs, the extent to which former trainees remain to practice in the same location as that in which the training was taken or in a similar type of underserved area, and other issues raised by the 1991 evaluation of the AHEC program. This review should also identify generational differences of AHECs (in scope, emphasis, strategy, structure, implementation problems, etc.) and discuss effectiveness of third generation AHEC projects to become self supporting.

The broadening of the existing authority for Health Education Training Centers (781(f)) will enable these programs to be effective in other high-impact urban or rural areas and to service high risk areas.

Throughout Sec. 781 relating to AHEC, HETC, and new State supported AHEC programs, the bill uses the term "agreement" instead of "contract" in referring to the funding mechanism used in the administration of these programs. This brings the law into conformity with established practice, under which the funding mechanism is a cooperative agreement between the Federal Government and the applicant.

Programs of Excellence in Health Professions Education for Minorities (782): While it is generally understood that the term "schools of medicine" includes schools of osteopathic medicine, this bill makes it explicit and consistent with House Report 101-804 the "Disadvantaged Minority Health Improvement Act of 1990" that schools of osteopathic medicine should be included in eligibility for these programs.

Training, Traineeships, and Fellowships in General Internal Medicine and General Pediatrics (784): The Committee has added a provision to support training of undergraduate medical students and practicing physicians in the specialties of general internal medicine and general pediatrics. It is the belief of the Committee that exposure to good role models in the community with good preceptors will impact career choice and selection of primary care residencies and subsequently primary care specialty practice. The Family Medicine training authority currently covers all levels from undergraduate student to practitioner level; this change makes both authorities similar

The Committee also believes that it is important to counteract disincentives for physicians to enter primary care training and urges the Secretary to give funding preference to programs that will provide linkages to medically underserved and rural communities.

Training in Dental Public Health (785A): This new program should help provide dental public health practitioners in underserved areas and facilitate the dissemination of information about preventive health in dentistry.

Family Medicine Residency Training Program (786): The Committee believes it is important to counteract disincentives for physicians to enter primary care training through the provisions of this bill, including giving preference (rather than priority) for programs that will provide linkages to medically underserved and rural communities, and by encouraging all medical schools to establish units or approved residencies that provide clinical instruction in family medicine.

Physician Assistant Program (786A): The Committee has increased the authorization levels for this program because of the continued evidence of shortages in this field and the fact that the Department of Labor's annual survey indicates that the employment of physician assistants is expected to grow faster than the average of all occupations through the year 2000 due to the anticipated expansion of the health services industry and greater reliance on physician assistants to provide primary care and assist with medical and surgical procedures. The profession is also expected to expand into institutional settings including rural health clinics, prisons, and academic medical centers. The Committee also believes that the increased utilization of mid-level practitioners, including nurse practitioners, nurse midwives as well as physician assistants will greatly improve access to care.

The Committee requests a report by the end of fiscal year 1993 on progress toward the Bureau of Health Professions' projected goal of increasing the percentage by 1.5 percent each year, toward the projected goal of 55 percent of newly graduated physician assistants entering primary care.

Health Careers Opportunity Program (787): The Committee believes that it is important to recruit students from disadvantaged backgrounds into the profession of social work, thus graduate programs in clinical social work are newly eligible for assistance. The preference (rather than priority) for increased enrollment of individuals from disadvantaged backgrounds will provide enhanced opportunities for underrepresented minorities and other students who are financially or otherwise disadvantaged to enter the health professions. Preliminary and enrichment education have proven to be successful in removing the barriers that have caused the persistent underrepresentation of minorities in health professions and this program helps prepare students to successfully compete for entry into and graduation from health professions schools to address national goals of Healthy People 2000 objectives to provide service to medically underserved and rural communities.

The current bill also corrects an oversight in previous legislation to provide for funding of schools that have historically maintained a high enrollment of individuals from disadvantaged or minority backgrounds.

The increase in allowed payment of stipends reflects actual student needs and helps keep pace with the cost of living.

By eliminating the 20 percent set-aside for the program of Financial Assistance to Disadvantaged Health Professions Students, the Committee believes that the available resources under Section 787 will be more effectively used.

The Committee urges the appropriation committees to provide funding for section 787A, the Retention Program for Certain Health Professions Students, which have never been funded.

Minority Faculty Develoment Training Fellowships (787B): The Committee has established a new program that is intended to increase the number of underrepresented minority faculty. The requirement for matching funds from the institution will ensure that the institution has a commitment to identify, recruit, and retain individuals from underrepresented minorities in health professions who have the potential for teaching, administration or conducting research.

Special Demonstration Projects (788):

Grants for Studies and Demonstrations (788(a)) provides new research authority for studies to be conducted or supported by the Bureau of Health Professions in support of its training and quality assurance responsibilities. The provisions for the development of innovative curricular models and unique training opportunities presently authorized in 788(b) can be considered within this section. These studies should include projects in training and quality assurance of all of the health professions including allied health and nursing.

Chiropractic Training and Demonstration Program (788(b)) is intended to expand and strengthen the chiropractic curriculum by colleages, universities and schools of chiropractic in areas of health promotion and disease prevention and to develop and strengthen linkages between the chiropractic training and programs that train other health professionals as well as between chiropractic care and the traditional primary care health delivery system.

Rather than retain the set-aside for funding of programs of Podiatric Medicine (788(c)), the Committee now designates a specific authorization level of $1 million for training programs in podiatric medicine.

AIDS Education and Training (788A): The Committee expanded eligibility to include other public or private nonprofit health or educational entities. The Committee emphasizes the need to educate all health care students and providers about AIDS and the HIV virus. The expansion of eligibility will allow State and local departments of health to establish programs to train health personnel. Committee also specifically wants to ensure that the professions of Clinical Social Work and Marriage and Family Therapy are eligible for participation since mental health and social support are critical to the maintenance of well-being of individuals with AIDS.

Geriatric Education Centers and Geriatric Training (789): The Committee expects that by merging the authorization levels for these two authorities, that the Secretary will have greater flexibility in adjusting funding levels to support applications of high scientific merit in both authorities.

In combining eligibility for schools of nursing with the present Geriatric Education Center authority, there should be greater assurance that interdisciplinary programs are developed.

The Committee wants to ensure that geriatric optometrists receive appropriate opportunities for both short- and long-term training in the interdisciplinary environment of Geriatric Education Centers.

The addition of authority to train geriatric psychiatrists and to base projects in a department of geriatric psychiatry reflects the reality that geriatric care requires the involvement of the psychiatric profession, in particular those that specialize in geriatrics. With the specialized problems associated with geriatric patients, geriatric psychiatrists serve multi-faceted roles of consultant, diagnostician and clinician to elderly patients suffering from organic as well as mental disorders. Since minimal funds are available from other sources for geriatric psychiatric training and those funding sources are static and available to a variety of other health professionals, it is important that geriatric psychiatrists be included in this important training program. The Committee wants to reinforce the requirement for each applicant to ensure linkage with schools of dentistry as well as departments of family medicine or general internal medicine to train individuals who will focus in primary care.

The addition of dental participants who are committed to academic careers in the geriatric faculty fellowship program expands the authority beyond dentists who have completed postdoctoral training and again reflects the necessity to train dentists to provide services to geriatric patients.

Public Health Traineeships (792): The Committee emphasizes the fact that there is a need to attract personnel to the field of public health to provide them with public health expertise and capability to serve Healthy People 2000 Objectives. In their role as producer of leaders in the health care system, graduates of schools of public health bring to the Year 2000 Objectives the broad view, knowledge and skills acquired in studying the full range of health problems afflicting the U.S. population. Further, since State and local health departments are assuming an increasing role in developing primary care capacity, it is essential that the supply and quality of pubic health personnel improves. These health professionals are particularly crucial in dealing with such national health problems as substance abuse, infant mortality, and environmental health.

Special Projects, Schools of Public Health (794): The emphasis on activities aimed to meet Healthy People 2000 Objectives and to support projects that provide improved access to preventive services reinforces the crucial role that Schools of Public Health must play in efforts to reach the national goals. The public health work force will increasingly be responsible for a variety of activities related to health promotion and disease prevention, including HIV/AIDS, substance abuse, and the need to plan, implement, and evaluate geriatric health care programs, especially for the medically indigent population.

The Committee also wants to encourage schools of public health to link public health practice with public health policy including medicaid, reimbursement and primary care, and to place emphasis on public health practice.

Allied Health Project Grants and Contracts (796): The Committee recognizes that the Institute of Medicine study identified several of the allied health fields as those with demonstrated shortages. Several specific fields, which should be given priority consideration, are mentioned in the bill; however, the designation of fields with demonstrated shortages should be adjusted as data and needs warrant the consideration of other allied health professions as shortage fields.

By designating that at least 70 percent of the appropriation in this section be used for projects that increase program enrollments or establish new programs in fields of demonstrated shortages, the Committee wants to insure that all necessary resources are made available to support this purpose. Similarly, the Committee's priorities are also identified through the designation of at least 20 percent of the appropriation under this section for traineeships for students in allied health fields with demonstrated shortages who agree to practice in a medically underserved or rural community.

In carrying out the provisions of Section 796(a)(4), the development of allied health interdisciplinary training programs, the Secretary shall limit grants to those programs that will train clinical laboratory personnel in more than one discipline. The Committee does not believe that such programs are appropriate for the rehabilitation professions and may not necessarily be appropriate for other allied health professions.

Traineeships for Advanced Training of Allied Health Personnel (797): The Committee believes that equal attention needs to be given to the development of allied health faculty as to the production of allied health personnel in shortage fields and to serve in underserved communities and urges that the appropriation committees provide funding for this program. The Committee further recognizes that it is necessary to develop and maintain strong faculty in allied health programs in order to achieve accreditation and enlarge the size and scope of such training programs.

The Committee expects that the allied health fields emphasized under this provision include those that require advanced specialty training for primary care, including medical technology.

Establishment of a Division of Allied Health (798): The Committee believes that the Bureau of Health Professions should give increased attention and emphasis to the various fields of allied health and thus has created a separate Division of Allied Health that will have oversight over the Subcommittee on Allied Health and related allied health matters.

Council on Graduate Medical Education (799): The Committee believes that the COGME should play an increasingly active role in analyzing and making policy recommendations concerning such issues as supply of critical health professionals to serve in shortage areas; the effect of funding and reimbursement policies as potential disincentives to the choice of primary care training and service in underserved areas; and providing increasing emphasis on Healthy People 2000 Objectives.

Rural Health Training Program (799A): The Committee believes that the provision of this training program to emphasize service in rural areas will greatly enhance overall program efforts under Title VII program offerings.

Advisory Council on Medical Licensure (799D): The Committee provides for an Advisory Council that will review and monitor the implementation of the American Medical Association's credentials verification system and any similar system. The Committee expects that the deliberations of the Advisory Council, conducted in an objective setting, will promote constructive dialogue between concerned organizations which can systematically review States' policies and practices affecting licensure and licensure by endorsement for graduates of both U.S. and international medical schools.

In addition, the development and implementation of the single licensure examination for both U.S. and international medical graduates should be monitored by the Advisory Council to ensure that it is carried out appropriately and without discrimination. The Council also shall review the policies and practices of the States in licensing domestic and international medical graduates. Such review shall include all facets of the licensing process.

The authority for the Advisory Council is limited to a period of less than 4 years (to September 31, 1995), which should give the Advisory Council time to make a determination about the functioning of the private credentials verification system.

The Committee recommends in addition to the one individual who is a graduate of a U.S. medical school licensed to practice for at least 20 years and recently received licensure by endorsement in another state, that other physician members of the Advisory Council be selected from those who are at varying stages in their careers. Further, the Committee recommends that both allopathic and osteopathic physicians be selected for service on the Advisory Council.

Postdoctoral Traineeships and Fellowships in Clinical Psychology, Clinical Social Work, and Psychiatry (799G): This new program should help address an important need for mental health services in Federal, State and local prisons, correctional facilities and public mental health facilities by providing traineeships and fellowships to postdoctorai psychologists, social workers and psychiatrists to serve in those institutions. This program is intended to place a variety of eligible mental health professionals in those prisons, correctional facilities and public mental health facilities that lack adequate mental health services.

The Secretary will ensure that the traineeships and fellowships are equitably distributed among the eligible disciplines.

Immigration and Nationality Act Provisions Relating to Tests for International Medical Graduates: These provisions are included in this bill on health professions education to clarify that Parts I and II of the National Board of Medical Examiners examination are being replaced by a single examination to be passed by all medical graduates, domestic and international.

## TITLE II—PROVISIONS RELATING TO TITLE VIII (NURSE EDUCATION)

When the Committee reauthorized the Nursing Training Act Amendment in 1988, it called for an evaluation of Title VIII programs. The law specified that the evaluation include an investigation of the effectiveness of the program in increasing and retention of nurses. In May 1991, the Secretary issued a final report to Congress on the evaluation of the Nursing Education Projects. The report provided an overview of how and to what extent the grants carried out under each of the Title VIII sections had met the legislative objectives. The major conclusions from the evaluation study were that Federal funds provide to the schools of nursing an important source of development and start-up funds in graduate nurse education, and that the Title VIII programs serve as an incentive for innovation in nursing practice.

The Committee recognizes that many steps have been taken to address the current shortage of registered nurses and that the Nursing Education Act has helped alleviate this critical shortage. The Committee thus regards reauthorization of the Nurse Education Act as critical. The Committee increased the funding levels in areas of nursing education programs where the Committee has identified the greatest need. A total of $131.5 million is authorized for fiscal year 1992, as compared to a fiscal year 1991 authorization of $118 million.

The goals of this reauthorization are to: train more nurse practitioners, nurse midwives, and nurse anesthetists, train more nurses and nurse paraprofessionals to fill vacancies in medically underserved and rural communities, improve the geographic distribution of nurses and to increase access to health care in medically underserved and rural areas communities.

Special Project Grants (820):

The Committee wants to emphasize that the Special Projects Grants section is designed to improve nursing practice by increasing the knowledge and skills of nursing personnel to enhance their effectiveness in health care delivery. The Committee supports promoting career mobility programs, updating the skills of practicing nurse serving in medical underserved or rural communities through continuing education, expanding methods that would improve access to nursing services in noninstitutional settings including providing nursing care as a component of nursing teaching in medically underserved or rural communities, expanding the innovative nursing practice models in primary care and long-term care and upgrading the skills of licensed vocational or practical nurses, nursing assistants, other paraprofessional nursing personnel, with priority given to rapid transition programs toward achievement becoming a registered nurse.

Advanced Nurse Education (821):

The number of advanced nurse education programs has continued to grow. The number of nursing master's degree programs grew from 70 in 1969 to nearly 200 in 1988. This has contributed to an increase in the number of well prepared faculty and to the number of nurses with advanced clinical training in virtually every specialized area of nursing including neonatology, pediatrics, geriatrics, the medical and surgical subspecialties such as oncology, and critical care, as well as community health nursing. The Committee continues its commitment to support nurses pursuing advanced education, especially as clinical specialists. The Committee also recognizes the need for additional nurse educators.

Nurse Practitioner and Nurse Midwife Programs (822):

Nurse practitioner and nurse midwifery programs have contributed to improving the quality of care by expanding the nurse's role in assessment and care management and in increasing access to primary health care, particularly in medically underserved or rural communities. The Committee continues to emphasize the need for recipients of funds to work in medically underserved or rural communities. In addition, the Committee expands funding for adolescents and children nurse practitioner programs by removing the special consideration previously provided for geriatric and gerontological nursing applications. The Committee has increased authorization levels in recognition of the important role that nurse practitioners and midwives play in providing good quality care to medically underserved and rural communities.

Capacity Building (823):

The Committee established a program to support nursing schools or programs in medically underserved or rural communities to develop resources or strengthen programs to address the National Health Objectives for the Year 2000. The Committee believes that the health promotion and healthy behaviors must attain greater prominence for patients and health care providers, and that the goals of Healthy People 2000 have a place in the Nurse Education Act. Special consideration will be given to applicants that will offer outreach programs taught in medically underserved or rural communities.

Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds (827):

This program assists students from disadvantaged backgrounds over financial, educational, or cultural barriers that prevent entry into nursing schools and interfere with successful studies completion program changes. The Committee would like to emphasize that students that may have an associate degree in nursing would be eligible to receive funding under this section if financially, educationally or culturally disadvantaged.

Traineeships for Advanced Education of Professional Nurses (830):

The Committee recognizes the need to provide financial support for nurses pursuing graduate degrees in nursing and for training nurse clinicians. The Committee expanded the professional training to make individuals pursuing a masters' degree in nursing eligible for the traineeships. This would allow individuals interested in pursuing careers as nurse clinicians the opportunity to become a registered nurse. This will allow graduate students in generic programs to participate in traineeships when they have completed their basic nursing preparation, as defined by their schools. No longer will licensure as a registered be a prerequisite for recipients of these stipends. The Committee emphasized preference for clinicians but supported the need for nurse educators. The Committee supported the elimination of the post-baccalaureate faculty fellowship. The program was designed to enable faculty of the schools of nursing to investigate specific areas of nursing practice. The program had not been funded in two years. The Committee strongly urges the appropriation committees to provide necessary appropriations.

Nurse Anesthetists (831):

Certified registered nurse anesthetists (CRNAs) play a unique role in the provision of health care in rural areas. CRNAs are the sole anesthesia providers in 85 percent of rural hospitals, enabling these facilities to provide obstetrical, surgical, and trauma stabilization services that otherwise could not be provided. CRNAs provided high quality, cost-effective care and they provide millions of Americans with access to health care.

A congressionally-mandated study released in 1990 reports a critical shortage of nurse anesthetists and projects the need for an additional 30,000 CRNAs by the year 2000. The report cited three primary reasons for the manpower shortage: a decline in the number of educational programs, a lack of clinical training sites for students, and an increased demand for anesthesia services. The Committee therefore recognizes the need to increase the funding authority in order to address the manpower shortage. Funds would be used to support nurse anesthesia traineeships, educational development for faculty, and the expansion and creation of nurse anesthesia educational programs.

Primary Care Nurse Training Program (832):

The Committee supports the development of a program to expand or establish new primary care nursing student training programs in rural communities or near American Indian lands. The programs would be staffed and run by school of nursing. The Committee emphasizes the need to provide nursing students with a clinical experience in primary care in a rural community. It is the Committee's hope that this experience will influence the student's choice of practice location.

Loan Repayment (837A):

This section facilities the employment of nurses in medically underserved or rural areas by providing federal funds to repay student loans for those agreeing to serve in such areas. The Committee supports the implementation of the loan repayment program. The Committee express confidence in the loan repayment program as an effective method of removing financial barriers to nursing education.

Allotment and Payment of Federal Capital Contributions (Section 838):

This section regulates Federal capital contributions to schools of nursing. The Committee amended (a)(3)(A) to require that funds remain in the Nursing Student Loan Program until expended, rather than the current two year period after which they can be spent for other DHHS' purposes. The Committee wants to ensure that nursing loan money is used for nursing education, and not diverted to other purposes in the Department.

Distribution of Assets from Loan Funds (839):

This section contains the process by which NSLP monies would be distributed in event of termination. We have made a technical change in the key dates in the section to the five year reauthorization period instituted by this legislation.

Undergraduate Education of Professional Nurses (843):

The Division of Student Assistance announced this program in June, 1989. More than 450 schools applied for funding on behalf of some 20,000 financially needy students. In 1989, there were 223 awards totaling only $1.24 million. The Division of Student Assistance funded about 800 scholarships in fiscal year 1990. The Committee did change the service requirement from not less than two years in medically underserved or rural community to one year for each year of participation in the undergraduate scholarship program.

Demonstration Program for Employer Loan Repayment (847):

This little used section has been repealed because many employers on their own already offer nurses various tuition reimbursement and loan repayment options to attract and retain nursing personnel.

Grants for Nurse Education in Long-term Care Facilities (848):

The Committee expressed concern about the critical shortage of nursing personnel in long-term care settings. The long-term care industry relies greatly upon licensed practical and vocational nurses, as well as nurses' aides for direct patient care services. This section addresses the critical shortage of professional nurses in long term care. It facilitates career advancement for nursing paraprofessionals and licensed practical and vocational nurses to become registered nurses to serve in long term care facilities. Fellowships are available for students who plan to participate in nursing assistant to licensed practical nurse (LPN) to registered nurse (RN) or LPN to RN programs. There is a preference for disadvantaged and underrepresented minority students and those in fast track programs. Those eligible must be at least half-time nursing students. Funds would provide tuition, fees, books, and reasonable living expenses. There is a service payback requirement in long-term care facilities. The goal of the program is to increase the number of professional nurses providing health care services to the ill and the elderly in long-term care settings.

Prohibition on Discrimination (855):

This section was previously limited to the prohibition of discrimination on the basis of sex. The Committee has revised this section to include race, color, religion, gender, national origin, age, disability, marital status and educational affiliation.

The scope of this section accords with statutory requirements already imposed upon recipients of Federal funds. The Committee does not intend by adding "educational affiliation" to prevent a school or program from legitimate assessment of an applicant's or student's educational qualifications based upon the course work completed. We intend, however, that such assessment be done for each individual on a case by case basis. Blanket rejections of those who attend certain institutions or who are foreign graduates, based solely on where they studied, should not be permitted absent strong authority as to major, recognized deficiencies in the educational quality in those institutions.

The Committee recognizes that admissions policies seek to increase diversity of the student body. Such policies are not discriminatory under this section and nothing in this section is intended to prohibit such practices.

The Committee recognizes that persons with some types of disabilities may not be able to perform certain aspects of nursing education and practice, and that accommodations for all disabilities may not be possible in the teaching environment. Schools, however, should review each such applicant/student's case and make a bona fide effort to make reasonable adjustments to accommodate these individuals.

Instruction on Prevention of Transmission of Bloodborne Diseases (860):

The bill establishes a new requirement for assurances by applicants that all trainees will receive instruction in the utilization of universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases.

## VI. Tabulation of Votes Cast in Committee

The Health Professions Training and Nurse Education Improvement and Reauthorization Act of 1991 was brought before an Executive Session of the Labor and Human Resources Committee on November 13, 1991. An amendment in the nature of a substitute was considered by the Committee and the amended bill was reported favorably by a vote of 17 to 0.

## VII. Cost Estimates

U.S. Congress,
Congressional Budget Office,
*Washington, DC, November 20, 1991.*

Hon. Edward M. Kennedy,
*Chairman, Committee on Labor and Human Resources,*
*U.S. Senate, Washington, DC.*

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1933, the Health Professions Training and Nurse Education Improvement and Reauthorization

Act of 1991, as ordered reported by the Senate Committee on Labor and Human Resources on November 19, 1991.

The bill would result in changes in direct spending and receipts in the HEAL program and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
*Director.*

Enclosure.

### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1933.

2. Bill title: Health Professions Training and Nurse Education Improvement and Reauthorization Act of 1991.

3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on November 13, 1991.

4. Bill purpose: To amend titles VII and VIII of the Public Health Service Act to reauthorize and extend programs under such titles, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

| | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|
| Authorization of Appropriations | | | | | |
| Estimated authorization levels: | | | | | |
| National Advisory Council | (¹) | (¹) | (¹) | (¹) | (¹) |
| Advisory Subcommittee on Allied Health | (¹) | (¹) | | | |
| Study on Shortage of Clinical Lab Technologists | 1 | 1 | | | |
| Health Professions Student Assistance | 15 | 15 | 15 | 15 | 15 |
| Loan Repayment for Allied Health personnel | 5 | 5 | 5 | 5 | 5 |
| Scholarships for First Year Students of Exceptional Need | 30 | 30 | 30 | 30 | 30 |
| Scholarships for Disadvantaged Students | (¹) | 1 | 17 | 17 | 17 |
| Disadvantaged Faculty Loan Repayment | 1 | 1 | 5 | 5 | 5 |
| Establishment of Departments of Family Medicine | 10 | 11 | 12 | 13 | 14 |
| Area Health Education Centers | 40 | 40 | 40 | 40 | 40 |
| Health Education and Training Centers | 7 | 6 | 7 | 8 | 9 |
| Programs of Excellence in Health Professions Education for Minorities | 16 | 15 | 28 | 28 | 28 |
| Training, Traineeships, and Fellowships in Internal Medicine and Pediatrics | 35 | 36 | 37 | 38 | 39 |
| Residency Programs in Dentistry | 8 | 9 | 10 | 11 | 12 |
| Training in Dental Public Health | 1 | 1 | 1 | 1 | 1 |
| Family Medicine | 50 | 51 | 52 | 53 | 54 |
| Physician Assistant Program | 8 | 9 | 10 | 11 | 12 |
| Educational Assistance to Individuals with Disadvantaged Background | 36 | 37 | 38 | 39 | 40 |
| Retention Programs for Disadvantaged Students | 2 | 2 | 2 | 2 | 2 |
| Minority Faculty Development Training Program | 2 | 2 | 2 | 2 | 2 |
| Special Demonstration Projects: | | | | | |
| Studies and Demonstrations | 5 | 5 | 5 | 5 | 5 |
| Chiropractic Training and Demonstration Project | 2 | 2 | 2 | 1 | 1 |
| Podiatric Medicine | 1 | 1 | 1 | 1 | 1 |
| Training with Respect to AIDS | 21 | 23 | 25 | 27 | 29 |
| Geriatric Education Centers and Geriatric Training | 26 | 26 | 26 | 26 | 26 |
| Year 2000 Health Objectives | 10 | 11 | 12 | 13 | 14 |
| Graduate Programs in Health Administration | 2 | 2 | 2 | 2 | 2 |
| Traineeships for Students in Graduate Health Administration Programs | 1 | 1 | 1 | 1 | 1 |
| Public Health Traineeship | 10 | 11 | 12 | 13 | 14 |

[By fiscal years, in millions of dollars]

| | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|
| Training in Preventive Medicine | 6 | 7 | 8 | 9 | 10 |
| Allied Health Project Grants and Contracts | 8 | 9 | 10 | 11 | 12 |
| Traineeships for Advanced Training of Allied Health Personnel | 8 | 9 | 10 | 11 | 12 |
| Council on Graduate Medical Education | 1 | 1 | 1 | 1 | 1 |
| Rural Health Training Program | 10 | 11 | 12 | 13 | 14 |
| National Commission on Medical Licensure | 2 | 2 | 2 | 2 | |
| Post Doctoral Fellowships | 5 | 5 | 5 | 5 | 5 |
| Health Care to AIDS Patients in Dental Schools | 6 | 8 | 10 | 12 | 14 |
| Nurse Education | | | | | |
| Special Projects | 20 | 20 | 20 | 20 | 20 |
| Advanced Nurse Education | 20 | 21 | 22 | 23 | 24 |
| Nurse Practitioner and Nurse Midwife Programs | 25 | 27 | 29 | 30 | 31 |
| Capacity Building | 2 | 2 | 3 | 3 | 4 |
| Special Projects for Disadvantaged Individuals | 5 | 6 | 6 | 7 | 7 |
| Traineeships | 17 | 19 | 21 | 23 | 25 |
| Nurse Anesthetists | 3 | 4 | 5 | 6 | 7 |
| Primary Care Nurse Training | 5 | 5 | 5 | 5 | 5 |
| Loan Repayment | 5 | 6 | 7 | 8 | 9 |
| Undergraduate Education | 30 | 31 | 32 | 33 | 34 |
| Nurse Education in Long-term Care | 5 | 5 | 5 | 5 | 5 |
| Office for Health Education: Assistance Loans | 1 | 1 | 1 | 1 | 1 |
| Direct Loan Program | | | | | |
| Subsidy | −4 | −9 | −7 | −11 | −8 |
| Administration Costs | (1) | (1) | 1 | 1 | 1 |
| Total estimated authorization | 513 | 544 | 605 | 625 | 651 |
| Estimated outlays | | | | | |
| National Advisory Council | (1) | (1) | (1) | (1) | (1) |
| Advisory Subcommittee on Allied Health | (1) | (1) | | | |
| Study on Shortage of Clinical Lab Technologists | (1) | 1 | | | |
| Health Professions Student Assistance | 9 | 13 | 15 | 15 | 15 |
| Loan Repayment for Allied Health Personnel | 3 | 4 | 5 | 5 | 5 |
| Scholarships for First Year Students of Exceptional Need | 17 | 26 | 30 | 30 | 30 |
| Scholarships for Disadvantaged Students | (1) | 1 | 9 | 15 | 17 |
| Disadvantaged Faculty Loan Repayment | 1 | 1 | 3 | 5 | 5 |
| Establishment of Departments of Family Medicine | 6 | 9 | 11 | 12 | 13 |
| Area Health Education Centers | 23 | 35 | 40 | 40 | 40 |
| Health Education Training Centers | −4 | 1 | 5 | 7 | 8 |
| Programs of Excellence in Health Professions Education for Minorities | 9 | 14 | 23 | 26 | 28 |
| Training, Traineeships, and Fellowships in Internal Medicine and Pediatrics | 20 | 31 | 36 | 37 | 38 |
| Residency Programs in Dentistry | 5 | 8 | 9 | 10 | 11 |
| Training in Dental Public Health | 1 | 1 | 1 | 1 | 1 |
| Family Medicine | 29 | 45 | 51 | 52 | 53 |
| Physician Assistant Program | 5 | 8 | 9 | 10 | 11 |
| Educational Assistance to Individuals with Disadvantaged Backgrounds | 21 | 32 | 37 | 38 | 39 |
| Retention Programs for Disadvantaged Students | 1 | 2 | 2 | 2 | 2 |
| Minority Faculty Development Training Program | 1 | 2 | 2 | 2 | 2 |
| Special Demonstration Projects | | | | | |
| Studies and Demonstrations | 3 | 4 | 5 | 5 | 5 |
| Chiropractic Training and Demonstration Project | 1 | 1 | 2 | 1 | 1 |
| Podiatric Medicine | 1 | 1 | 1 | 1 | 1 |
| Training with respect to AIDS | 12 | 20 | 24 | 26 | 28 |
| Geriatric Education Centers and Geriatric Training | 15 | 23 | 26 | 26 | 26 |
| Year 2000 Health Objectives | 6 | 9 | 11 | 12 | 13 |
| Graduate Programs in Health Administration | 1 | 1 | 2 | 2 | 2 |
| Traineeships for Students in Graduate Health Administration Programs | 1 | 1 | 1 | 1 | 1 |
| Public Health Traineeships | 6 | 9 | 11 | 12 | 13 |
| Training in Preventive Medicine | 3 | 6 | 7 | 8 | 9 |
| Allied Health Project Grants and Contracts | 5 | 8 | 9 | 10 | 11 |
| Traineeships for Advanced Training of Allied Health Personnel | 5 | 8 | 9 | 10 | 11 |
| Council on Graduate Medical Education | 1 | 1 | 1 | 1 | 1 |
| Rural Health Training Program | 6 | 9 | 11 | 12 | 13 |

[By fiscal years, in millions of dollars]

| | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|
| National Commission on Medical Licensure | 1 | 1 | 2 | 2 | 2 |
| Post Doctoral Fellowships | 3 | 4 | 5 | 5 | 5 |
| Health Care to AIDS Patients in Dental Schools | 3 | 6 | 9 | 11 | 13 |
| Nurse Education: | | | | | |
| Special Projects | 12 | 18 | 20 | 20 | 20 |
| Advanced Nurse Education | 12 | 18 | 21 | 22 | 23 |
| Nurse Practitioner and Nurse Midwide Programs | 15 | 23 | 28 | 29 | 30 |
| Capacity Building | 1 | 2 | 2 | 3 | 3 |
| Special Projects for Disadvantaged Individuals | 3 | 5 | 6 | 6 | 7 |
| Traineeships | 10 | 16 | 20 | 22 | 24 |
| Nurse Anesthetists | 2 | 3 | 4 | 5 | 6 |
| Primary Care Nurse Training Program | 3 | 4 | 5 | 5 | 5 |
| Loan Repayment | 3 | 5 | 6 | 7 | 8 |
| Undergraduate Education | 17 | 27 | 31 | 32 | 33 |
| Nurse Education in Long-term Care | 3 | 4 | 5 | 5 | 5 |
| Office for Health Education: Assistance Loans | | | | | |
| Direct Loan Program: | | | | | |
| Subsidy | −4 | −9 | −7 | −11 | −8 |
| Administration Costs | ([1]) | ([1]) | 1 | 1 | 1 |
| Total estimated outlays | 299 | 462 | 567 | 599 | 621 |
| Direct Spending | | | | | |
| Estimated budget authority: | | | | | |
| Loan Consolidation: | | | | | |
| Pre-1992 Disbursed Loans | 17 | | | | |
| 1992-96 Disbursed Loans | 1 | 1 | 1 | 1 | 1 |
| Litigation Waiver: | | | | | |
| Pre-1992 Disbursed Loans | −9 | | | | |
| 1992-96 Disbursed Loans | −1 | −1 | −2 | −2 | −2 |
| Risk-Based Default Premiums | −2 | −2 | −2 | −2 | −2 |
| Total estimated budget authority | 6 | −2 | −3 | −3 | −3 |
| Estimated outlays: | | | | | |
| Loan Consolidation: | | | | | |
| Pre-1992 Disbursed Loans | 17 | | | | |
| 1992-96 Disbursed Loans | 1 | 1 | 1 | 1 | 1 |
| Litigation Waiver: | | | | | |
| Pre-1992 Disbursed Loans | −9 | | | | |
| 1992-96 Disbursed Loans | −1 | −1 | −2 | −2 | −2 |
| Risk-Based Default Premiums | −2 | −2 | −2 | −2 | −2 |
| Total estimated outlays | 6 | −2 | −3 | −3 | −3 |

[1] Less than $500,000.

Details in the table may not add to totals because of rounding. The costs of this bill fall within budget function 550.

Basis of estimate: This estimate assumes that all authorizations are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data. The following sections describe the major provisions of the bill, including the potential direct spending effects.

National Advisory Council on Health Professions Education: S. 1933 would authorize continuation of the National Advisory Council on Health Professions Education and would add one member to the council. According to information from the Health Resources and Services Administration (HRSA), the costs of meetings in fiscal year 1992 would be $29,000. CBO estimated the costs for the Advisory Council in fiscal years 1993 through 1996 by adjusting the fiscal year 1992 estimate for projected inflation. The bill also would establish a 19-member Advisory Subcommittee on Allied Health to address issues of supply, distributioin, data base needs, federal policies and roles and functions of allied health professionals. The committee would meet at least twice a year for two years, until a final report is submitted regarding these issues. According to information from HRSA, the costs of meetings in fiscal year 1992 for the subcommittee would be $25,000. CBO estimated fiscal year 1993 costs by adjusting the fiscal year 1992 estimate for projected inflation.

The bill also would require the subcommittee to do a study to determine the extent and causes of the shortage of clinical laboratory technologists, and to recommend strategies to alleviate the shortage, by October 1, 1993. According to HRSA, this study would cost approximately $.5 million for each of fiscal years 1992 and 1993.

Health Professions Student Loans (HPSL): S. 1933 would reauthorize appropriations for federal capital contributions into student loan funds of schools participating in the HPSL program. The bill authorizes appropriations of $15 million for each of the fiscal years 1992 through 1996 for these contributions.

Loan Repayment for Allied Health Personnel: The bill would reauthorize funding for loan repayment for allied health personnel serving in rural or medically underserved communities where there is a shortage of such personnel. The bill authorizes $5 million for each of fiscal years 1992 through 1996 for this program.

Scholarships for First Year Students of Exceptional Need: S. 1933 would reauthorize grants to schools of medicine, osteopathic medicine, dentistry, optometry, pharmacy, podiatric medicine, or veterinary medicine for scholarships to full-time students who have exceptional financial need. The bill authorizes appropriations of $30 million for each of fiscal years 1992 through 1996 for these grants.

Scholarships for Disadvantaged Students: The bill would reauthorize grants to health professions schools for scholarships to students from disadvantaged backgrounds. Previously, there was authorized to be appropriated such sums as may be necessary for fiscal years 1992 and 1993. We have estimated the current authorization levels by adjusting the 1991 appropriation for projected inflation. This yields estimates of $17.4 million and $18.4 million in fiscal years 1992 and 1993, respectively. The bill authorizes appropriations of $17 million for each of fiscal years 1992 through 1996 for these grants. This represents decreases of $4 million and $1.4 million in fiscal years 1992 and 1993, respectively.

Disadvantaged Faculty Loan Repayment Program: S. 1933 would reauthorize funding for loan repayment on behalf of individuals from disadvantaged backgrounds serving as members of the faculty of eligible health professions schools. The bill would limit loan repayment to not more than 20% of the outstanding principal and interest in any given year. Previously, there was authorized to be appropriated $4 million for each of fiscal years 1992 and 1993. The bill authorizes appropriations of $5 million for each of fiscal years 1992 through 1996 for this program. This represents an increase of

$1 million in authorization of appropriation for each of fiscal years 1992 and 1993.

Establishment of Departments of Family Medicine: The bill would reauthorize grants to schools of medicine and osteopathic medicine for projects which establish, maintain, or improve academic administrative units to provide clinical instruction in family medicine. The bill authorizes appropriations of $10 million in fiscal year 1992, $11 million in fiscal year 1993, $12 million in fiscal year 1994, $13 million in fiscal year 1995, and $14 million in fiscal year 1996 for these grants.

Area Health Education Centers (AHEC): S. 1933 would reauthorize funding for AHECs and would authorize funding for state and federal supported AHECs in which states provide matching funds. The state and federal matching AHECs would be funded by any amounts appropriated in a fiscal year in excess of $21 million. The bill stipulates that not more than 10 percent of any amount appropriated in a fiscal year in excess of $21 million be used to fund demonstration projects in state and federal matching AHECs. The bill authorizes appropriations of $40 million for each of fiscal years 1992 through 1996 for these centers.

Health Education Training Centers: The bill would reauthorize contracts with schools of medicine and osteopathic medicine for planning, development, establishment, maintenance, and operation of health education and training centers along the border between the United States and Mexico and in other high-impact urban or rural areas. The bill would authorize appropriations of $5 million for fiscal year 1992, $6 million for fiscal year 1993, $7 million for fiscal year 1994, $8 million for fiscal year 1995, and $9 million for fiscal year 1996 for these centers. This represents a decrease in authorization of $7 million in fiscal year 1992.

Programs of Excellence in Health Professions Education for Minorities: S. 1933 would reauthorize grants to health professions schools for programs of excellence in health professions education for minority individuals and would make schools of osteopathic medicine, schools of public health, and graduate programs in clinical psychology eligible for these grants. Previously, there was authorized to be appropriated such sums as may be necessary for each of fiscal years 1992 and 1993. CBO estimated the current authorization levels for fiscal years 1992 and 1993 by adjusting the fiscal year 1991 appropriation for projected inflation. The bill authorizes appropriations of $28 million in each of fiscal years 1992 through 1996 for this program. This represents an increase of $16 million and $15 million in fiscal years 1992 and 1993, respectively.

Training, Traineeships, and Fellowships in General Internal Medicine, General Pediatrics, and Internal Medicine: The bill would reauthorize funding for projects, traineeships, and fellowships for training of physicians who plan to teach in a general internal medicine or general pediatrics training program. The bill authorizes appropriations of $35 million in fiscal year 1992, $36 million in fiscal year 1993, $37 million in fiscal year 1994, $38 million in fiscal year 1995, and $39 million in fiscal year 1996 for this purpose.

Residency Programs in General Practice of Dentistry: S. 1933 would reauthorize funding for residency programs in dentistry, and for financial assistance for residency participants. The bill authorizes appropriations of $8 million in fiscal year 1992, $9 million in fiscal year 1993, $10 million in fiscal year 1994, $11 million in fiscal year 1995, and $12 million in fiscal year 1996 for this program.

Training in Dental Public Health: The bill would authorize grants and contracts for projects that plan, develop, expand or improve residency programs, and for traineeships to dental residents or practicing dentists who plan to work in the public health field. The bill authorizes appropriations of $1 million for each of fiscal years 1992 through 1996 for these programs.

Family Medicine: The bill would reauthorize grants and contracts for training programs or financial assistance for the purpose of assisting medical students or physicians who are committed to practicing family medicine. The bill stipulates that after October 1, 1993, only schools or hospitals with departments and approved residencies in family medicine will be eligible for funding. The bill authorizes appropriations of $50 million in fiscal year 1992, $51 million in fiscal year 1993, $52 million in fiscal year 1994, $53 million in fiscal year 1995, and $54 million in fiscal year 1996 for these programs.

Physician Assistant Program: S. 1933 would reauthorize funding for projects that train physician assistants at $8 million in fiscal year 1992, $9 million in fiscal year 1993, $10 million in fiscal year 1994, $11 million in fiscal year 1995, and $12 million in fiscal year 1996.

Educational Assistance to Individuals from Disadvantaged Backgrounds: S. 1933 would reauthorize grants to and contracts with health professions schools for the purpose of assisting individuals from disadvantaged backgrounds. The bill would expand eligibility to schools or programs in clinical social work, and would give preference to schools that increase enrollments of disadvantaged students or maintain such enrollments over 200 percent of the national average. The bill would eliminate the requirement that 20 percent of funds be used for stipends to individuals of exceptional financial need. The bill authorizes appropriations of $36 million in fiscal year 1992, $37 million in fiscal year 1993, $38 million in fiscal year 1994, $39 million in fiscal year 1995, and $40 million in fiscal year 1996 for this program.

Retention Programs for Disadvantaged Students: The bill would reauthorize grants for financial aid services or retention services for individuals from disadvantaged backgrounds at eligible health professions schools. The bill authorizes appropriations of $2 million for each of fiscal years 1992 through 1996 for these programs.

Minority Faculty Development Training Program: S. 1933 would authorize grants and contracts to eligible health professions schools to assist them in increasing the number of underrepresented minority faculty members at such schools. The bill would require matching funds from the institution, and would set a maximum award to each faculty member of $30 thousand. The bill authorizes appropriations of $2 million in each of fiscal years 1992 through 1996 for this program.

Special Demonstration Projects: S. 1933 would authorize grants for studies and demonstration projects to improve health professions education in primary care and to assure competency of health personnel. The bill authorizes appropriations of $5 million for each of fiscal years 1992 through 1996 for these grants.

The bill also would authorize funding for chiropractic training programs that expand and strengthen the chiropractic curriculum in health promotion and disease prevention, and for programs that develop and strengthen linkages with academic training programs of other health professions. The bill also would authorize funding for a demonstration project that develops ways of integrating chiropractic care into the traditional primary care system. The bill authorizes appropriations of $1 million for each of fiscal years 1992 through 1996 for the training programs, and $.5 million for each of fiscal years 1992 through 1994 for the demonstration project.

Finally, the bill would reauthorize funding for traineeships in primary care training for residents in approved podiatric residency programs. The bill authorizes appropriations of $1 million for each of fiscal years 1992 through 1996 for these programs.

Training with Respect of AIDS: S. 1933 would reauthorize funding for projects in schools and academic health centers for the purpose of training with respect to treatment for acquired immune deficiency syndrome (AIDS). The bill authorizes appropriations of $21 million in fiscal year 1992, $23 million in fiscal year 1993, $25 million in fiscal year 1994, $27 million in fiscal year 1995, and $29 million in fiscal year 1996 for these projects.

Geriatric Education Centers and Geriatric Training: S. 1933 would reauthorize funding for geriatric education centers and geriatric training programs. The bill would reauthorize grants to and contracts with accredited health professions school for projects to educate health professionals in geriatric treatment. The bill would expand eligibility for geriatric education centers to include nursing schools or programs. The bill also would expand eligibility for geriatric training centers to include departments of geriatric psychiatry. The bill authorizes appropriations of $25 million for each of fiscal years 1992 through 1996 for these activities.

Year 2000 Health Objectives: The bill would authorize projects that are appropriate to meeting the objectives established by the Secretary of HHS for the health status of the U.S. population for the year 2000. The bill authorizes appropriations of $10 million in fiscal year 1992, $11 million in fiscal year 1993, $12 million in fiscal year 1994, $13 million in fiscal year 1995, and $14 million in fiscal year 1996 for this program.

Graduate Programs in Health Administration: The bill would reauthorize grants to public or nonprofit private educational entities to support graduate programs in health administration, hospital administration, and health planning, and would authorize appropriations of $1.7 million for each of fiscal years 1992 through 1996 for the program.

Traineeships for Students in Health Administration Graduate Programs: S. 1933 would reauthorize grants to public or nonprofit private educational entities that offer a program in health administration, hospital administration, or health policy analysis and planning, to fund traineeships for students enrolled in the programs. The bill authorizes appropriations of $1 million in each of fiscal years 1992 through 1996 for the programs.

Public Health Traineeships: The bill would reauthorize grants to schools of public health that provide traineeships in public health and authorizes $10 million in fiscal year 1992, $11 million in fiscal year 1993, $12 million in fiscal year 1994, $13 million in fiscal year 1995, and $14 million in fiscal year 1966 for the program.

Training in Preventive Medicine: The bill would reauthorize funding for residency programs in preventive medicine at $6 million in fiscal year 1992, $7 million in fiscal year 1993, $8 million in fiscal year 1994, $9 million in fiscal year 1995, and $10 million in fiscal year 1996.

Allied Health Project Grants and Contracts: S. 1933 would reauthorize funding to support recruitment or training activities in allied health professions with personnel shortages in rural and medically underserved communities. The bill would reauthorize funding for projects that strengthen the allied health curriculum, interdisciplinary geriatric assessment and rehabilitation of the elderly. The bill also would reauthorize funding for traineeships to students participating in demonstrated allied health shortage fields and who agree to practice in medically underserved communities.

The bill stipulates that no less than 50 percent of the appropriation be used for recruitment and training activities, that no more than 20 percent be used for projects to strengthen the allied health curriculum, interdisciplinary geriatric assessment and rehabilitation of the elderly, and that no less than 20 percent be used for traineeships. The bill authorizes appropriations of $8 million in fiscal year 1992, $9 million in fiscal year 1993, $10 million in fiscal year 1994, $11 million in fiscal year 1995, and $12 million in fiscal year 1996.

Traineeships for Advanced Training of Allied Health Personnel: The bill would reauthorize funding for projects that support postgraduate programs for advanced specialty training of allied health professionals who plan to teach and to conduct research in an allied health training program. The bill would extend the authorization of appropriations to include funding for postbaccalaureate training for allied health professionals who plan to teach in an allied health program. The bill authorizes appropriations of $8 million in fiscal year 1992, $9 million in fiscal year 1993, $10 million in fiscal year 1994, $11 million in fiscal year 1995, and $12 million in fiscal year 1996 for these purposes.

Council on Graduate Medical Education (COGME): S. 1933 would reauthorize funding for the Council on Graduate Medical Education at $1 million for each of fiscal years 1992 through 1996.

Rural Health Training Program: The bill would reauthorize funding for training programs that focus on illness prevention and health promotion, and behavior assessment. The bill also would extend eligibility to include accredited graduate programs in marriage and family therapy. The bill authorizes $10 million for fiscal year 1992, $11 million for fiscal year 1993, $12 million for fiscal year 1994, $13 million for fiscal year 1995, and $14 million for fiscal year 1996 for these programs.

National Commission on Medical Licensure: S. 1933 would establish a commission to provide advice to the Secretary of HHS and the Congress by September 30, 1995 on the operation of the private credentials verification system, and on states' policies and practices regarding licensure of medical graduates. The bill authorizes appropriations of $1.5 million for each of fiscal years 1992 through 1995 for the activities of the commission.

Postdoctoral Fellowships in Clinical Psychology, Clinical Social Work and Psychiatry: The bill would authorize establishment of a postdoctoral psychology, clinical social work, and psychiatry program to award grants to or to enter into contracts with eligible entities to enable them to provide fellowships. These fellowships would be given to people who will train and will provide mental health services in federal, state or local prisons or correctional facilities or public mental health facilities. The bill authorizes appropriations of $5 million for each of the fiscal years 1992 through 1996 for these fellowships.

Health Care to AIDS Patients in Dental Schools: The bill would reauthorize funding for grants to assist dental schools and programs with respect to oral health care to patients with AIDS and would authorize appropriations of $6 million in fiscal year 1992, $8 million in fiscal year 1993, $10 million in fiscal year 1994, $12 million in fiscal year 1995, and $14 million in fiscal year 1996 for these programs.

Nurse Education Improvement and Reauthorization Act of 1991: This Act amends Title VIII of the Public Health Act to reauthorize, extend and establish programs. Its goals are to train more midlevel primary care providers, to train more nurses to fill vacancies in rural and medically underserved areas, and to improve the geographic distribution of nurses.

Special Projects: S. 1933 would reauthorize funding for special projects to provide continuing education for nurses, to demonstrate improved geriatric care training, and to increase the supply of adequately trained nursing personnel to meet the health needs of rural areas. The bill would expand options for nursing education in rural areas, expand methods to improve access to nursing services, eliminate geriatric education centers and expand the innovative nursing practice models in primary and long-term care. The bill authorizes appropriations of $20 million for each of fiscal years 1992 through 1996 for these programs.

Advanced Nurse Education Programs: The bill would reauthorize funding for projects to plan, develop, operate, or significantly expand programs that lead to masters' or doctoral degrees that prepare nurses to serve in clinical nurse specialties. The bill authorizes appropriations of $20 million in fiscal year 1992, $21 million in fiscal year 1993, $22 million in fiscal year 1994, $23 million in fiscal year 1995, and $24 million in fiscal year 1996 for these projects.

Nurse Practitioner and Nurse Midwife Programs: S. 1933 would reauthorize funding for projects to plan, develop and operate, expand, or maintain programs for the training of nurse practitioners and nurse midwives. The bill authorizes appropriations of $25 million in fiscal year 1992, $27 million in fiscal year 1993, $29 million in fiscal year 1994, $30 million in fiscal year 1995, and $31 million in fiscal year 1996 for these programs.

Capacity Building: The bill would authorize funding for projects to enable schools of nursing to develop sources or strengthen programs or faculty to address the National Health Objectives for the Year 2000. The bill authorizes appropriations of $1.5 million in fiscal year 1992, $2 million in fiscal year 1993, $2.5 million in fiscal year 1994, $3 million in fiscal year 1995, and $3.5 million in fiscal year 1996 for these projects.

Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds: The bill would reauthorize funding for special projects to increase nursing education opportunities for individuals from disadvantaged backgrounds. The bill authorizes appropriations of $5 million in fiscal year 1992, $5.5 million in fiscal year 1993, $6 million in fiscal year 1994, $6.5 million in fiscal year 1995, and $7 million in fiscal year 1996 for these projects.

Traineeships for Advanced Education of Professional Nurses: S. 1933 would reauthorize funding for traineeships for nurses in master's or doctoral degree programs in order to educate such nurses to serve in and prepare for practice as nurse practitioners, or to serve in another professional nursing specialties that require advanced education. The bill would expand eligibility to include individuals pursuing a master's degree in nursing, and would eliminate the postbaccalaureate faculty fellowship. The bill authorizes appropriations of $17 million in fiscal year 1992, $19 million in fiscal year 1993, $21 million in fiscal year 1994, $23 million in fiscal year 1995, and $25 million in fiscal year 1996 for these traineeships.

Nurse Anesthetists: The bill would reauthorize grants to fund traineeships for licensed registered nurses to become nurse anesthetists and to fund programs for the education of nurse anesthetists. The bill authorizes appropriations of $3 million in fiscal year 1992, $4 million in fiscal year 1993, $5 million in fiscal year 1994, $6 million in fiscal year 1995, and $7 million in fiscal year 1996 for traineeships.

Primary Care Nurse Training Program: S. 1933 would authorize grants for establishment of clinical training sites, or development of clinical training programs, to provide primary care nurse training. The bill authorizes appropriations of $5 million for each of fiscal years 1992 through 1996 for these grants.

Loan Repayment: The bill would reauthorize loan repayment programs for nurses who serve for at least 2 years in certain health facilities, including Indian Health Service health centers, Native Hawaiian health centers, public hospitals, migrant health centers, or community health centers. The bill authorizes appropriations of $5 million in fiscal year 1992, $6 million in fiscal year 1993, $7 million in fiscal year 1994, $8 million in fiscal year 1995, and $9 million in fiscal year 1996 for these programs.

Undergraduate Education of Professional Nurses: S. 1933 would reauthorize grants for undergraduate education of professional nurses and would change the two-year service requirement to one year for each year of participation in the scholarship program. The bill authorizes appropriations of $30 million for fiscal year 1992, $31 million for fiscal year 1993, $32 million for fiscal year 1994, $33 million for fiscal year 1995, and $34 million for fiscal year 1996 for this program.

Grants for Nurse Education in Long-term Care Facilities: The bill would authorize funding for fellowships to licensed vocational or practical nurses, nursing assistants and other paraprofessional nursing personnel to enable them to become registered nurses or licensed practical nurses. The bill would require that fellowship recipients work in a long-term care setting upon completion of the training program. The bill authorizes appropriations of $5 million for each of fiscal years 1992 through 1996 for these fellowships.

Direct Loan Demonstration Program: The bill would establish a direct student loan demonstration program for health professions students. The program would be subject to appropriation action. The bill would authorize the Secretary of HHS to provide assistance to 20 health professions institutions for the purpose of making direct loans to students at these institutions. If the institutions chosen for the demonstration program are a representative sample of institutions participating in the HEAL program, loan disbursements in the direct loan demonstration program would be approximately $30 million in fiscal year 1992, $33 million in fiscal year 1993, $36 million in fiscal year 1994, $40 million in fiscal year 1995, and $44 million in fiscal year 1996. The bill would allow institutions to charge borrowers a loan originating fee of 3 percent of the principal amount of the loan. The fee would be used to offset the costs of administration of the program. For the amounts of loan disbursements estimated above, origination fee collections would be $.9 million in fiscal year 1992, $1 million in fiscal year 1993, $1.1 million in fiscal year 1994, $1.2 million in fiscal year 1995, and $1.3 million in fiscal year 1996. Savings in subsidy costs in the direct loan program would be $4 million in fiscal year 1992, $9 million in fiscal year 1993, $7 million in fiscal year 1994, $11 million in fiscal year 1995, and $8 million in fiscal year 1996.

Administrative costs of the direct loan program are calculated on a cash basis. Estimated origination costs would be about $30 per loan, and additional administrative, servicing and collections costs would range from 1% to 1.5% of principal over the life of the loan. Origination costs would be approximately $60,000 in fiscal year 1992, $62,000 in fiscal year 1993, $65,000 in fiscal year 1994, $67,000 in fiscal year 1995, and $70,000 in fiscal year 1996. Administrative, servicing, and collections costs would be approximately $.3 million in fiscal year 1993, $.6 million in fiscal year 1994, $1 million in fiscal year 1995, and $1.4 million in fiscal year 1996.

Direct Spending: S. 1933 would make several changes in the Health Education Assistance Loans (HEAL) program that would affect direct spending. The bill would set ceilings on the total principal amount of new loans made and installments paid pursuant to lines of credit of $400 million for fiscal year 1992, $425 million for fiscal year 1993, $475 million for fiscal year 1994, $525 million for fiscal year 1995, and $550 million for fiscal year 1996. These ceilings could limit the amounts of loans disbursed each year, and thus affect loan premium collections and future disbursements for defaults on these loans. Because the loan limits are above current borrowing projections, they are not expected to have a budget effect. The bill also extends the authorization for the loan insurance program to September 30, 1999.

The bill would extend eligibility for forbearance on loan repayment. The bill would allow borrowers who trained in a primary care specialty and are practicing in a medically underserved or rural community to receive up to three additional years of forbearance. The bill would allow borrowers who trained in a non-primary care specialty and who are practicing in a medically underserved or rural community to receive up to two additional years of forbearance. The bill also would allow borrowers in health professions that do not require residency training to receive up to one additional year of forbearance. These provisions for additional forbearance would affect direct spending if they change the default rate on loans to these borrowers. Because there is little available information about the characteristics of defaulters, it is not possible to estimate the effects of these provisions.

S. 1933 would allow borrowers to consolidate all of their loans on the same terms and conditions as those provided in the Higher Education Act of 1965. Based on information on the loan consolidation experience in the Stafford and SLS Loan programs, we estimate the half of those eligible to consolidate would consolidate. This estimate assumes that the majority of HEAL borrowers who choose to consolidate their HEAL with other educational loans have already consolidated their other educational loans. In this case, the cost to the federal government of the additional consolidation of HEAL with other educational loans would consist of special allowance payments made on HEAL loans.

For loans disbursed before 1992 and that enter repayment after fiscal year 1992, the net present value of special allowance payments for loan consolidation would be approximately $17 million in fiscal year 1992. For loans disbursed in or after fiscal year 1992, the net present value of special allowance payments would be $.8 million for fiscal year 1992 loans, $.8 million for fiscal year 1993 loans, $.9 million for fiscal year 1994 loans, $.9 million for fiscal year 1995 loans, and $1 million for fiscal year 1996 loans. These estimates are based on CBO projections of future interest rates. If interest rates are higher than these projections, the costs of special allowances would increase.

The bill would set a maximum rate of interest on HEAL loans of 12 percent, and would allow interest to be compounded annually rather than semiannually. Because CBO projected interest rates are lower than 12 percent, the maximum rate would not affect the estimated costs of the program. Annual compounding of interest would lower the interest accrued on each loan This would affect federal costs by decreasing the amount of interest accrued on defaulted loans, thus minimally decreasing the size of default claims paid by the federal government.

S. 1933 would allow the Secretary of HHS to waive the litigation requirement on defaulted loans if in the judgment of the lender or holder, there is no reasonable likelihood of recovering at least one-half of the outstanding debt or $10,000, whichever is less. According to the Health Resources Services Administration (HRSA), this provision would exempt 97 percent of defaulted loans from the litigation requirement. Presently, the litigation requirement results in an average lag of 2 years between default and claims payment on a loan. During this period, loans continue to accrue interest, which increases the claim amount.

In the short term under the litigation waiver, HRSA estimates that there would be a three-year period during which costs to the Student Loan Insurance Fund (SLIF) would increase because the fund would more quickly pay the costs of loans made before fiscal year 1992. In the long run, accrued interest on claims payments would decrease due to faster claims payments. For loans disbursed before 1992 and that default during or after fiscal year 1992, the net present value of savings due to faster claims payments would be $9 million in fiscal year 1992. For loans disbursed in or after fiscal year 1992, the savings in the subsidy costs of loans due to lower interest payments on default claims would be $1 million for fiscal year 1992 loans, $1.3 million for fiscal year 1993 loans, $1.6 million for fiscal year 1994 loans, $2 million for fiscal year 1995 loans, and $2.4 million for fiscal year 1996 loans.

S. 1933 would assess risk-based default premiums on borrowers and institutions, would reduce the maximum loan level for medium and high risk borrowers, and would prohibit schools with default rates over 25 percent from further participation in the program. Based on information from HRSA, the change in default premiums would result in increased premium collections of $1.5 million in fiscal year 1992, $1.5 million in fiscal year 1993, $1.6 million in fiscal year 1994, $1.6 million in fiscal year 1995, and $1.7 million in fiscal year 1996. Because premiums are collected upon loan disbursement and deposited in the SLIF, direct spending would decrease by the amount of the increased premium collections. According to HRSA, the reduction in maximum loan level for medium and high risk borrowers would have little impact on borrowing because few borrowers presently exceed the limits. The prohibition of schools with default rates over 25 percent would also have little effect on borrowing because few schools have default rates over 25 percent, and most of those schools would be eligible for a waiver by the Secretary of HHS.

The bill would establish an Office for Health Education Assistance Loans to conduct studies and carry out activities for the purpose of achieving a reduction in defaults on HEALs. The bill would allow the Secretary of HHS to use up to $1 million from the Student Loan Insurance Fund to support the activities of the office.

S. 1933 would require special allowance payments to loan holders on the remaining principal balance of loans during any 3-month period in which the interest rate on the loans exceeds a specified limit. According to CBO interest rate projections, special allowance payments would not be paid during fiscal years 1992 through 1996. Nevertheless, if at any time the interest rate rises, this provision would be costly, because special allowance payments would be made on a high volume of loans.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. The enactment of S. 1933 would result in changes in direct spending and receipts in the HEAL program. Therefore, the bill would have the following pay-as-you-go impact:

[By fiscal years, in millions of dollars]

| | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|
| Outlays | 6 | −2 | −3 | −3 |
| Receipts | ([1]) | ([1]) | ([1]) | ([1]) |

[1] Not applicable.

7. Estimated cost to state and local government: In order to receive funding for state supported area health education center programs, eligible schools of medicine and osteopathic medicine must provide $1 in non-federal contributions for each $1 in federal funds. Non-federal funds could come from state and local governments.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Connie Takata.

11. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

## VIII. REGULATORY IMPACT

The Committee has determined that there will be minimal increase in the regulatory burden of paperwork as the result of this bill.

## IX. CHANGES IN EXISTING LAW

In compliance with rule XXVI, paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

### PUBLIC HEALTH SERVICE ACT

* * * * * * *

#### DEFINITIONS

SEC. 2. * * *

* * * * * * *

(a) * * *

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(f) Except as provided in sections 314(g)(4)(B), 318(c)(1), 331(h)(3), 335(5), 361(d), [701(9),] 1002(c), 1401(13), 1531(1), and 1633(1), the term "State" includes, in addition to the several States, only the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

* * * * * * *

Federal funds required to be expended as a condition of such other Federal grant.

[(d) In the case of a project for construction of facilities which are primarily (as determined in accordance with regulations of the Secretary) for teaching purposes and for which a grant may be made under section 720(a)(1), but which also are for research purposes, or research and related purposes, in the sciences related to health or for medical library purposes (within the meaning of part J of title III), the project shall, insofar as all such purposes are involved, be regarded as a project for facilities with respect to which a grant may be made under this part.

### [RECOVERY

[SEC. 723. (a) If at any time within twenty years (or within such shorter period as the Secretary may prescribe by regulation for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under section 720(a)—

[(1)(A) in case of a facility which was an affiliated hospital or outpatient facility with respect to which funds have been paid under section 720(a)(1), the owner of the facility ceases to be a public or other nonprofit agency that would have been qualified to file an application under section 605,

[(B) in case of a facility which was not an affiliated hospital or outpatient facility but was a facility with respect to which funds have been paid under paragraph (1) or (3) of section 720(a), the owner of the facility ceases to be a public or nonprofit school, or

[(C) in case of a facility which was a facility with respect to which funds have been paid under section 720(a)(2), the owner of the facility ceases to be a public or nonprofit entity,

[(2) the facility ceases to be used for the teaching or training purposes (or other purposes permitted under section 722) for which it was constructed, or

[(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the owner of the facility the base amount prescribed by subsection (c)(1) plus the interest (if any) prescribed by subsection (c)(2).

[(b) The owner of a facility which ceases to be a public or nonprofit agency, school, or entity as described in subparagraph (A), (B), or (C) of subsection (a)(1), as the case may be, or the owner of a facility the use of which changes as described in paragraph (2) or (3) of subsection (a), shall provide the Secretary written notice of such cessation or change of use within 10 days after the date on which such cessation or change of use occurs or within 30 days after the date of enactment of this subsection, whichever is later.

[(c)(1) The base amount that the United States is entitled to recover under subsection (a) is the amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district in which the facility is situated) of the facility as the amount of the Federal participation bore to the cost of construction.]

## TITLE VII—HEALTH RESEARCH AND TEACHING FACILITIES AND TRAINING OF PROFESSIONAL HEALTH PERSONNEL

### PART A—GENERAL PROVISIONS

#### DEFINITIONS

SEC. 701. For purposes of this title:

[(1) The terms "construction" and "cost of construction" include (A) the construction of new buildings, the expansion of existing buildings, and the acquisition, remodeling, replacement, renovation, major repair (to the extent permitted by regulations), or alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land or offsite improvements, and (B) initial equipment of new buildings and of the expanded, remodeled, repaired, renovated, or altered part of existing buildings; but such term shall not include the construction or cost of construction of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship.]

[(2)] *(1)* The term "nonprofit" refers to the status of an entity owned and operated by one or more corporations or associations no part of the net earnings of which insures, or may lawfully inure, to the benefit of any private shareholder or individual

[(3) The term "affiliated hospital or affiliated outpatient facility" means a hospital or outpatient facility, as defined in section 645, which is not owned by, but is affiliated (to the extent and in the manner determined in accordance with regulations) with, a school of medicine, osteopathic medicine, or dentistry which meets the eligibility conditions set forth in section 721(b)(1).]

[(4)] *(2)(A)* The terms "school of medicine", "school of dentistry" school of osteopathic medicine", "school of pharmacy", "school of optometry", "school of podiatric medicine", "school of veterinary medicine", "school of public health", and "school of chiropractic" mean an accredited public or nonprofit private school in a State that provides training leading, respectively, to a degree of doctor of medicine, a degree of doctor of dentistry or an equivalent degree, a degree of doctor of osteopathy, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatric medicine or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, and a degree of doctor of chiropractic or an equivalent degree, and including advanced training related to such training provided by any such school. The term "graduate program in health administration" means an accredited graduate program in a public or nonprofit private institution in a State that provides training leading to a graduate degree in health administration or an equivalent degree. The term "graduate program in clinical psychology" means an accredited graduate program in a public or nonprofit private institution in a State which provides training leading to a doctoral degree in clinical psychology or an equivalent degree.

*(B) The term "graduate program in clinical social work" means an accredited graduate program in a public or nonprofit private institution in a State that provides training in a concentration in health or mental health care leading to a graduate degree in social work.*

*(C) The term "graduate program in marriage and family therapy" means an accredited graduate program in a public or nonprofit private institution in a State which provides training in a concentration leading to a graduate degree in marriage and family therapy.*

[(5)] *(3)* The term "accredited", when applied to a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, or chiropractic, a graduate program in health administration [or a graduate program in clinical psychology] *a graduate program in clinical psychology, and a graduate program in clinical social work that offers a training concentration in health or mental health care, and a graduate program that provides training in a concentration leading to a graduate degree in marriage and family therapy,* means a school or program that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education, except that a new school or program that, by reason of an insufficient period of operation, is not, at the time of application for a grant or contract under this title, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this title, if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school or program will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of the first entering class in such school or program.

[(6)] *(4)* The term "teaching facilities" means areas dedicated for use by students, faculty, or administrative or maintenance personnel for clinical purposes, research activities, libraries, classrooms, offices, auditoriums, dining areas, student activities, or other related purposes necessary for, and appropriate to, the conduct of comprehensive programs of education. Such term includes interim facilities but does not include off-site improvements or living quarters.

[(7) The term "interim facilities" means teaching facilities designed to provide teaching space on a short-term (less than ten years) basis while facilities of a more permanent nature are being planned and constructed.]

[(8)] *(5)* The term "program for the training of physician assistants" means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to provide primary health care under the supervision of a physician, and (ii) meets regulations prescribed by the Secretary in accordance with subparagraph (B).

* * * * * * *

[(9)(A) The term "program for the training of expanded function dental auxiliaries" means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to assist in the provision of dental care under the supervision of a dentist and (ii) meets regulations prescribed by the Secretary in accordance with subparagraph (B).

[(B) After consultation with appropriate professional organizations, the Secretary shall (within 180 days after the date of enactment of this paragraph) prescribe regulations for programs for the training of expanded function dental auxiliaries.

Such regulations shall, as a minimum, require that such a program—

[(i) extend for at least one academic year and consist of—

[(I) supervised clinical practice, and

[(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing students to deliver dental care; and

[(ii) have an enrollment of not less than eight students.]

[(10)] *(6)* The term "school of allied health" means a public or nonprofit private college, junior college, or university or hospital-based educational entity—

* * * * * * *

[(11)] *(7)* The term "State" includes, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

[(12)] *(8)* The term "Department" means the Department of Health and Human Services.

[(13)] *(9)* The term "allied health professionals" means a health professional—

* * * * * * *

*Such term shall not include any registered nurse or physician assistant.*

## NATIONAL ADVISORY COUNCIL ON HEALTH PROFESSIONS EDUCATION

SEC. 702. (a) There is established in the Public Health Service a National Advisory Council on Health Professions Education (hereafter in this section referred to as the "Council"), consisting of the Secretary (or his delegate), who shall be Chairman of the Council, and [twenty-one] *22* members appointed by the Secretary (without regard to the provisions of title 5 of the United States Code relating to appointments in the competitive service) from persons who because of their education, experience, or training are particularly qualified to advise the Secretary with respect to the programs of assistance authorized by parts B, C, D, E, F, and G of this title. Of the appointed members of the Council—

(1) [thirteen] *fourteen* shall be representatives of the health professions schools assisted under programs authorized by this title, including—

(A) one representative of each of schools of veterinary medicine, optometry, pharmacy, podiatric medicine, public health, and allied health, and graduate programs in health administration [and graduate programs in clinical psychology], *graduate programs in clinical psychology and clinical social work*; and

* * * * * * *

*(e)(1) There is established a subcommittee of the National Advisory Council on Health Professions Education to be known as the Sub-*

*committee on Allied Health (hereafter in this section referred to as the "Subcommittee") which shall meet at least twice annually until such time as the final report is submitted under paragraph (4). The Subcommittee shall—*

*(A) provide advice and make recommendations to the National Advisory Council, the Secretary, and to the Committee on Labor and Human Resources and Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, with respect to—*

*(i) the supply and distribution of allied health personnel throughout the United States;*

*(ii) current and future shortages or excesses of allied health personnel, particularly in medically underserved and rural communities;*

*(iii) priority research needs within the allied health professions;*

*(iv) appropriate Federal policies relating to the matters described in clauses (i) through (iii), including policies concerning changes in the financing of undergraduate and graduate allied health programs, changes in the types of allied health education, and the appropriate Federal role in the development of a research base in the allied health professions;*

*(v) appropriate efforts to be carried out by health care facilities, schools and programs of allied health, and professional associations with respect to the matter referred to in clause (i), including efforts for changes in undergraduate and graduate allied health education programs, and private support for research initiatives;*

*(vi) deficiencies and needs for improvements in existing data bases concerning the supply and distribution of training programs for allied health in the United States and steps that should be taken to eliminate such deficiencies; and*

*(vii) problems, and recommendations for the resolution of such problems, relating to the roles and functions of professionals within the allied health fields and other fields such as medicine and dentistry;*

*(B) encourage entities providing allied health education to conduct activities to voluntarily achieve the recommendations of the Subcommittee;*

*(C)(i) conduct a study concerning the shortage of clinical laboratory technologists for the purpose of—*

*(I) determining the extent of such shortage;*

*(II) determining the causes of such shortage; and*

*(III) developing recommendations concerning the manner in which such shortage can be alleviated; and*

*(ii) in conducting the study required under clause (i)—*

*(I) consider any special or unique factors affecting the supply of clinical laboratory technologists in medically underserved and rural communities; and*

*(II) conduct an assessment of alternative routes for certification of the competence of individuals to serve as such*

*technologists, and consider the role of entities that provide such certifications; and*

*(D) not later than October 1, 1993, prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report concerning the results of the study conducted under subparagraph (D).*

*(2) In addition to select members of the National Advisory Council, the Subcommittee shall be composed of—*

*(A) the Assistant Secretary for Health;*

*(B) the Administrator of the Health Care Financing Administration;*

*(C) the Assistant Secretary for Defense for Health Affairs;*

*(D) the Chief Medical Director of the Department of Veterans Affairs;*

*(E) the Commissioner of the Bureau of Labor Statistics of the Department of Labor;*

*(F) a representative of the National Center for Education Statistics of the Department of Education;*

*(G) a representative of the Bureau of Health Professions, Health Resources and Services Administration to be appointed by the Secretary;*

*(H) five individuals appointed by the Secretary to represent allied health professionals, of which—*

*(i) two such individuals shall be representatives of allied health professionals who provide occupational, speech, respiratory or physical therapy services;*

*(ii) two such individuals shall be health professionals who provide primary care services in underserved areas or to underserved populations; and*

*(iii) one such individual shall be a health professional who provides primary care services to the elderly;*

*(I) five individuals appointed by the Secretary, including representatives of schools and programs of allied health, health care facility employers of allied health personnel, health insurers, and professional organizations representing the allied health professions;*

*(J) a professional knowledgeable about health occupations and professions and data policy to be appointed by the Secretary; and*

*(K) a representative of the general public to be appointed by the Secretary.*

*(3) Not later than April 1, 1992, the Secretary shall appoint the members of the Subcommittee in accordance with paragraph (2).*

*(4) Not later than 6 months after the date on which the initial meeting of the Subcommittee is held, the Subcommittee shall prepare and submit to the individual and entities described in paragraph (1)(A) a progress report concerning the activities of the Subcommittee. Not later than April 1, 1994, the Subcommittee shall prepare and submit to such individuals and entities a final report.*

*(5) The Secretary shall ensure that necessary resources are made available to implement the provisions of this subsection.*

*(6) The Subcommittee shall terminate upon the submission of the final report required under paragraph (4).*

### DISCRIMINATION [ON BASIS OF SEX] PROHIBITED

SEC. 704. The Secretary may not make a grant, loan guarantee, or interest subsidy payment under this title to, or for the benefit of, any school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, pharmacy, podiatric medicine, or public health or any training center for allied health personnel, [or graduate program in clinical psychology] *graduate program in clinical psychology or graduate program in clinical social work,* unless the application for the grant, loan guarantee, or interest subsidy payment contains assurances satisfactory to the Secretary that the school or training center will not discriminate on the basis of [sex] *race, color, religion, gender, national origin, age, disability, marital status, or educational affirmation* in the admission of individuals to its training programs. The Secretary may not enter into a contract under this title with any such school or training center unless the school, training center, or graduate program furnishes assurances satisfactory to the Secretary that it will not discriminate on the basis of [sex] *race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation* in the admission of individuals to its training programs. In the case of a school of medicine which—

(1) on the date of the enactment of this sentence is in the process of changing its status as an institution which admits only female students to that of an institution which admits students without regard to their [sex] *race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation*, and

(2) is carrying out such change in accordance with a plan approved by the Secretary,

the provisions of the preceding sentences of this section shall apply only with respect to a grant, contract, loan guarantee, or interest subsidy to, or for the benefit of such a school for a fiscal year beginning after June 30, 1979.

* * * * * * *

### HEALTH PROFESSIONS DATA

SEC. 708. (a) The Secretary shall establish a program, including a uniform health professions data reporting system, to collect, compile, and analyze data on health professions personnel which program shall initially include data respecting all physicians and dentists in the States. The Secretary is authorized to expand the program to include, whenever he determines it necessary, the collection, compilation, and analysis of data respecting pharmacists, optometrists, podiatrists, veterinarians, public health personnel, audiologists, speech pathologists, health care administration personnel, nurses, allied health personnel, medical technologists, chiropractors, clinical psychologists, *physician assistants, clinical social workers practicing in health or mental health care* and any other health personnel in States designated by the Secretary to be included in the program. Such data shall include data respecting the training, licensure status (including permanent, temporary, partial, limited, or institutional), place or places of practice, professional specialty, practice characteristics, place and date of birth, sex, and socio-economic background of health professions personnel and such other demographic information regarding health professions personnel as the Secretary may require. *Data shall also be collected with respect to health professional shortage areas as designated under section 332, and other medically underserved communities (as defined in section 711(c)(2)) and underserved populations.*

* * * * * * *

(d) The Secretary shall submit to Congress on October 1, 1983, and biannually thereafter, the following reports:

(1) A comprehensive report regarding the status of health personnel according to profession, *health professional shortage areas, rural areas, and medically under-served areas and populations,* including a report regarding the analytic and descriptive studies conducted under this section.

(2) A comprehensive report regarding applicants to, and students enrolled in, programs and institutions for the training of health personnel, including descriptions and analyses of student indebtedness, student need for financial assistance, financial resources to meet the needs of students, student career choices such as practice speciality and geographic location, *service in health professional shortage areas and to medically under-served communities (as defined in section 711(c)(2) and populations,* and the relationship, if any, between student indebtedness and career choices.

* * * * * * *

### STATISTICS AND [ANNUAL] *BIENNIAL* REPORT

SEC. [794.] *708A.* (a) The Secretary shall, in coordination with the National Center for Health Statistics (established under section 306), continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting public and community health personnel, including—

* * * * * * *

(c) The Secretary shall submit biennially to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on [Labor and Public Welfare] *Labor and Human Resources* of the Senate a report on—

(1) the statistics and other information developed pursuant to subsection (a), and

(2) the activities conducted [under this subpart] *under subpart I of part G,* including an evaluation of such activities.

* * * * * *

### SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 728. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 737) to borrowers covered by Federal loan insurance under this subpart shall not exceed [$500,000,000 for the fiscal year ending September 30, 1978; $510,000,000 for the fiscal year ending September 30, 1979; $520,000,000 for the fiscal year ending September 30, 1980; and $200,000,000 for the fiscal year ending September 30, 1982; $225,000,000 for the fiscal year ending September 30, 1983; $250,000,000 for the fiscal year ending September 30, 1984; $250,000,000 for the fiscal year ending September 30, 1985; $275,000,000 for the fiscal year ending September 30, 1986; $290,000,000 for the fiscal year ending September 30, 1987; $305,000,000 for the fiscal year ending September 30, 1988; $325,000,000 for the fiscal year 1989; $375,000,000 for the fiscal year 1990; and $400,000,000 for the fiscal year 1991.] *$400,000,000 for fiscal year 1992, $425,000,000 for fiscal year 1993, $475,000,000 for fiscal year 1994, $525,000,000 for fiscal year 1995, and $550,000,000 for fiscal year 1996.* If the total amount of new loans made and installments paid pursuant to lines of credit in any fiscal year is less than the ceiling established for such year, the difference between the loans made and installments paid and the ceiling shall be carried over to the next fiscal year and added to the ceiling applicable to that fiscal year, and if in any fiscal year no ceiling has been established, any difference carried over shall constitute the ceiling for making new loans (including loans to new borrowers) and paying installments for such fiscal year. Thereafter, Federal loan insurance pursuant to this subpart may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this subpart, to continue or complete their educational program or to obtain a loan under section 731(a)(1)(B) to pay interest on such loans; but no insurance may be granted for any loan made or installment paid after [September 30, 1994] *September 30, 1999*, and for the next fiscal year. The total principal amount of Federal loan insurance available under this subsection shall be granted by the Secretary without regard to any appointment for the purpose of chapter 15 of title 31, United States Code, and without regard to any similar limitation.

[(2) No loan insured by the Secretary under this subpart may be included in a consolidated loan pursuant to the authority of the Student Loan Marketing Association under part B of title IV of the Higher Education Act of 1965 if as a result of such inclusion the Federal Government becomes liable for any greater payment of principal or interest under the provisions of section 439(o) of the Higher Education Act of 1965 than the Federal Government would have been liable for had no consolidation occurred.]

[(3)] *(2)* With respect to Federal regulations for lenders, this subpart may not be construed to preclude the applicability of such regulations to the Student Loan Marketing Association or to any other entity in the business of purchasing student loans, including such regulations with respect to applications, contracts, and due diligence.

* * * * * * *

### ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED LOANS

SEC. 731. (a) A loan by an eligible lender shall be insurable by the Secretary under the provisions of this subpart only if—

(1) made to—
(A) a student who—
(i)(I) * * *

* * * * * * *

(iii) has agreed that all funds received under such loan shall be used solely for [tuition] *tuition and* other reasonable educational expenses, including fees, books, and laboratory expenses, and reasonable living expenses, incurred by such students.

* * * * * * *

(C) provides that periodic installments of principal and interest need not be paid, but interest need not be paid, but interest shall accrue, during any period (i) during which the borrower is pursuing a full-time course of study at an eligible institution (or at an institution defined by section 435(b) of the Higher Education Act of 1965), (ii) not in excess of four years during which the borrower is a participant in an accredited internship or residency program, (including any period in such a program described in subclause (I) or subclause (II) of subparagraph (B)(i)), (iii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, (iv) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, (v) not in excess of three years during which the borrower is a member of the National Health Service Corps, (vi) not in excess of three years during which the borrower is in service as a full-time volunteer under title I of the Domestic Volunteer Service Act of 1973, *(vii) not in excess of 3 years, for a borrower who has (I) completed an accredited internship or residency training program in osteopathic general practice, family medicine, general internal medicine or general pediatrics, or (II) completed training in general dentistry, public health dentistry, clinical psychology or clinical social work and is currently serving as a primary care provider in a medically underserved or rural community as defined in section 711(c), (viii) not in excess of 1 year, for borrowers in the health professions that do not require residency training, (ix) not in excess of 2 years during which the borrower is providing care in a medically underserved or rural community as defined in section 711(c),* [(vii)] *(x)* any period not in excess of to years which is described in subparagraph (B)(ii), and [(viii)] *(xi)* in addition to all other deferments for which the borrower is eligible under clauses [(i) through (vii)] *clauses (i) through (x)* during which the borrower is a member of the Armed Forces on active duty during the Persian Gulf conflict, and any period described in [clauses (i) through (viii)] *clauses (i) through (xi)* shall not be included in determining the 25-year period described in subparagraph (B);

(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be compounded not more frequently than [semiannually] *annually* and payable in installments over the period of the loan except as provided in subparagraph (C), except that the note or other written agreement may provide that payment of any interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due or the date repayment of principal is required to resume (whichever is applicable) and may further provide that, on such date, the amount of the interest which has so accrued may be added to the principal for the purposes of calculating a repayment schedule;

* * * * * * *

(b) [No maximum] *(1) The* rate of interest prescribed and defined by the Secretary for the purpose of paragraph (2)(D) of [subsection (a) may exceed the average] *subsection (a) may not exceed the average* of the bond equivalent rates of the 91-day Treasury bills auctioned for the previous quarter plus 3 percentage points, rounded to the next higher one-eighth of 1 percent *with a maximum rate of interest of 12 percent per year.*

*(2)(A) A special allowance may be paid to an eligible holder of an eligible loan under this subpart for each of the 3-month periods ending on March 31, June 30, September 30, and December 31 of each year. The amount of a special allowance paid to any holder under this paragraph with respect to any 3-month period shall be a percentage of the average unpaid balance of principal (not including unearned interest added to such principal) on all eligible loans held by such holder during such period.*

*(B) Subject to paragraph (D) and (F), a special allowance paid under this paragraph to a holder shall be computed—*

*(i) by determining the average of the bond equivalent rates of 91-day Treasury bills auctioned for the 3-month period for which the allowance is to be paid;*

*(ii) by subtracting the maximum applicable interest rate on the loans that are subject to such allowance from such average;*

*(iii) by adding 3 percent to the amount determined under clause (ii); and*

*(iv) by dividing the amount determined under clause (iii) by 4.*

*(C) The holder of an eligible loan under this subpart shall have a contractual right against the United States, during the life of such loan, to receive the special allowance under this paragraph. The special allowance determined for any 3-month period under this paragraph shall be paid promptly after the close of such period, and without administrative delay after receipt of an accurate and complete request for payment, pursuant to procedures established under regulations promulgated under this paragraph.*

*(D)(i) If payment of a special allowance to a holder under this section has not been made within 30 days after the Secretary has received an accurate, timely, and complete request for payment from such holder, the amount of such allowance shall be increased by an*

*amount equal to the daily interest accruing on such allowance, as determined under clause (ii).*

*(ii) The amount of the daily interest referred to in clause (i) shall be computed at the daily equivalent rate of the sum of the special allowance rate determined under subparagraph (B) and the interest rate applicable to the loan, and shall be paid for the later of—*

*(I) the 31st day after the receipt of a request for payment of an allowance under this paragraph by the holder; or*

*(II) the 31st day after the final day of the period or periods covered by such request;*

*and shall be paid for each succeeding day until, and including, the date on which the Secretary authorizes payment.*

*(iii) For purposes of reporting to Congress the amounts of special allowances paid under this paragraph, amounts so paid shall be segregated and reported separately.*

*(E) The Secretary shall pay the holder of an eligible loan a special allowance under this paragraph, at such time or times as are specified in regulations promulgated under this paragraph, subject to the condition that such holder shall submit to the Secretary, at such time or times, and in such manner as the Secretary determines appropriate, such information as may be required under such regulations for the purpose of enabling the Secretary to carry out this section and to carry out the purposes of this section.*

*(F) The quarterly rate of the special allowance for holders of loans that were made or purchased with funds obtained by the holder from the issuance of obligations, the income from which is exempt from taxation under the Internal Revenue Code of 1986, shall be one half the quarterly rate of the special allowance established under subparagraph (B). Such rate shall also apply to holders of loans that were made or purchased with funds obtained by the holder from collections or default reimbursements on, or interest or other income pertaining to, loans made or purchased with funds described in the preceding sentence or from income on the investment of such funds.*

*(G) provides that the check for the proceeds of the loan shall be made payable jointly to the borrower and the eligible institution in which the borrower is enrolled;*

*(H) contains such other terms and conditions consistent with the provisions of this subpart and with the regulations issued by the Secretary pursuant to this subpart, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Secretary with respect to such loan; and*

*(I) authorizes an institution or postgraduate training program attended by the borrower to assist in the collection of any loan that becomes delinquent, by providing information concerning the borrower to the Secretary and to past and present lenders and holders of the borrower's loans.*

* * * * * * *

### CERTIFICATE OF FEDERAL LOAN INSURANCE—EFFECTIVE DATE OF INSURANCE

SEC. 732. (a)(1) * * *

* * * * * * *

[(c)(1) The Secretary shall, pursuant to regulations, charge for insurance on each loan under this subpart a premium in an amount not to exceed 8 percent of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance at the time the loan is made and in such manner as may be prescribed by the Secretary. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or become totally and permanently disabled, if (A) notice of such default or other event has been duly given, and (B) requests for payment of the loss insured against has been made or the Secretary has made such payment on his own motion pursuant to section 733(a).

[(2) The Secretary may not increase the percentage on the principal balance of loans charged pursuant to paragraph (1) for insurance premiums, unless the Secretary has, prior to any such increase—

[(A) requested a qualified public accounting firm to evaluate whether an increase in such percentage is necessary to ensure the solvency of the student loan fund established by section 734, and to determine the amount of such an increase, if necessary; and

[(B) such accounting firm has recommended such an increase and has determined the amount of such increase necessary to ensure the solvency of such fund.

The Secretary may not increase such percentage in excess of the maximum percentage permitted by paragraph (1) or increase such percentage by an amount in excess of the amount of the increase determined by a qualified accounting firm pursuant to this paragraph.]

* * * * * * *

[(f) Nothing in this section shall be construed to preclude the lender and the borrower, by mutual agreement, from consolidating all of the borrower's debts into a single instrument, except that the portion of such debt that is insured under this subpart shall not be consolidated on terms less favorable to the borrower than if no consolidation had occurred and no loan under this subpart may be consolidated with any other loan if, as a result of such consolidation, the Federal Government becomes liable for any payment of principal or interest under the provisions of section 439(o) of the Higher Education Act of 1965.]

*(f) Nothing in this section shall be construed to preclude the consolidation of all of the borrower's debts into a single instrument on the same terms and conditions as those provided in the Higher Education Act of 1965.*

***SEC. 732A. DEFAULT PENALTY FEES.***

*(a) Authority.—With respect to a loan made under this subpart, the Secretary, in accordance with subsection (b), shall assess a risk-based premium an eligible borrower and, if required, an eligible institution that is based on the default rate of the eligible institution involved.*

*(b) Assessment of Premium.—Except as provided in subsection 9d)(2), the risk-based premium to be assessed under subsection (a) shall be as follows:*

*(1) Low-risk rate.—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate of not to exceed five percent, such borrower shall be assessed a risk-based premium in an amount equal to 6 percent of the principal amount of the loan.*

*(2) Medium risk rate.—*

*(A) In general.—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate in excess of five percent but not to exceed 15 percent—*

*(i) such borrower shall be assessed a risk-based premium in an amount equal to 10 percent of the principal amount of the loan; and*

*(ii) such institution shall be assessed a risk-based premium in an amount equal to 5 percent of the principal amount of the loan.*

*(B) Reduction in loan level.—The maximum loan amount for which a borrower of the type described in subparagraph (A) shall be eligible to receive shall be reduced by an amount equal to 10 percent of the maximum loan amount that such borrower would otherwise be eligible to receive under this subpart prior to the date of enactment of this section.*

*(C) Default management plan.—An institution of the type described in subparagraph (A) shall prepare and submit to the Secretary for approval, an annual default management plan, that shall specify the detailed short-term and long-term procedures that such institution will have in place to minimize defaults on loans to borrowers under this subpart. Under such plan the institution shall, among other measures, provide an exit interview to all borrowers that includes information concerning repayment schedules, loan deferments, forbearance, and the consequences of default.*

*(3) High risk rate.—*

*(A) In general.—With respect to an eligible borrower seeking to obtain a loan for attendance at an eligible institution that has a default rate of in excess of 15 percent but not to exceed 25 percent—*

*(i) such borrower shall be assessed a risk-based premium in an amount equal to 10 percent of the principal amount of the loan; and*

*(ii) such institution shall be assessed a risk-based premium in an amount equal to 10 percent of the principal amount of the loan.*

*(B) Reduction in loan level.—The maximum loan amount for which a borrower of the type described in subparagraph (A) shall be eligible to receive shall be reduced by an amount equal to 25 percent of the maximum loan amount that such borrower would otherwise be eligible to receive under this subpart prior to the date of the enactment of this section.*

*(C) Default management plan.—An institution of the type described in subparagraph (A) shall, in addition to complying with the provisions of paragrah (2)(C), become a co-signer of the loan. The Secretary may require a performance bond on behalf of such an institution.*

*(4) Ineligibility.—A borrower shall not be eligible to obtain a loan under this subpart for attendance at an institution that has a default rate of in excess of 25 percent.*

*(c) Reduction of At-Risk Premium.—Lenders may reduce by 50 percent the at-risk premium to eligible borrowers if a credit worthy parent or other responsible party co-signs the loan note.*

*(d) Administrative Waivers.—*

*(1) Hearing.—The Secretary shall afford an institution not less than one hearing, and may consider mitigating circumstances, prior to assigning an institution to a risk-based category under subsection (b) or making such institution ineligible for participation in the programs under this subpart.*

*(2) Exceptions.—In carrying out this section with respect to an institution, the Secretary may grant in institution a waiver of requirements of subsection (b) if the Secretary determines that—*

*(A) the default rate for such institution is not an accurate indicator because the volume of the loans under this subpart made by such institution has been insufficient; or*

*(B) the institution can justify the default record using other sources of information.*

*(3) Transition for certain institutions.—Effective January 1, 1992, Historically Black Colleges and Universities and tribally controlled schools shall be exempt from the ineligible requirements of subsection (b)(4) for the 3-year period beginning on the date of enactment of this section. Such institutions with default rates on loans under such programs greater than 25 percent shall be required to comply with all guidelines applicable to institutions in the high risk default categories.*

*(e) Payoff to Reduce Risk Category.—An institution may payoff the outstanding principal and interest owed by the students of such institution who have defaulted on loans made under this subpart in order to reduce the risk category of the institution.*

### DEFAULT OF BORROWER UNDER FEDERAL LOAN INSURANCE PROGRAM

Sec. 733. (a) Upon default by the borrower on any loan covered by Federal loan insurance pursuant to this subpart, and after a substantial collection effort (including, subject to subsection (h), commencement and prosecution of an action) as determined under regulations of the Secretary, the insurance beneficiary shall promptly notify the Secretary and the Secretary shall, if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. *The Secretary shall establish by regulation performance standards and fees to be paid by lenders and loan holders for the servicing of HEAL loans and for the processing of loan default claims filed by insurance beneficiaries under this subsection.*

* * * * * * *

(e) As used in this section—

(1) * * *

* * * * * * *

(2) the term "amount of the loss" means, with respect to a loan, unpaid balance of the principal amount and interest on such loan, less the amount of any judgment collected pursuant to default proceedings commenced by the eligible lender or holder involved; **[**and**]**

(3) the term "default" includes only such defaults as have existed for (A) 120 days in the case of a loan which is repayable in monthly installments, or (B) 180 days in the case of a loan which is repayable in less frequent installment**[**s.**]***; and*

*(4) the term "default rate", in the case of an eligible entity, means the percentage constituted by the ratio of—*

*(A) the principal amount of loans insured under this subpart—*

*(i) that are made with respect to the entity and that enter repayment status after April 7, 1987; and*

*(ii) for which amounts have been paid under subsection (a) to insurance beneficiaries, exclusive of any loans for which amounts have been so paid as a result of bankruptcy under title 11 of the United States Code, or the death or total and permanent disability of the borrowers, and exclusive of any amounts of principal actually repaid by the borrowers subsequent to payment of the claim; to*

*(B) the total principal amount of loans insured under this subpart that are made with respect to the entity and enter repayment status after April 7, 1987.*

(f) **[**The Secretary may**]** *The Secretary shall,* after notice and opportunity for a hearing, cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans insured under this subpart in amounts up to the remaining balance of such loans. Procedures for reduction of payments under the medicare program are provided under section 1892 of the Social Security Act.

* * * * * * *

(h)(1) With respect to the default by a borrower on any loan covered by Federal loan insurance under this subpart, the Secretary shall, under subsection (a), require an eligible lender or holder to commence and prosecute an action for such default unless—

(A) in the determination of the Secretary—

* * * * * * *

(ii) prosecution of such an action would be [fruitless] *inappropriate* because of the financial or other circumstances of the borrower;

(B) for such loans made before the date of the enactment of the Health Professions Reauthorization Act of 1988, the loan involved was made in an amount of less than $5,000; [or]

(C) for such loans made after such date, the loan involved was made in an amount of less than $2,500[.]*; or*

*(D) in the judgment of the Secretary, in consultation with the lender or holder, there is not a reasonable likelihood of recovering, within 6 months of the date on which active enforcement of the judgment begins, at least one-half of the outstanding debt owned by the borrower (including collections costs and associated charges) or $10,000, whichever is less.*

* * * * * * *

*(j)(1) It is the purpose of this subsection to ensure that obligations to repay loans are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced.*

*(2) Notwithstanding any other provision of Federal or State statute, regulation, or administrative limitation, no limitation shall terminate the period within which suit may be filed, a judgment may be enforced, or an offset, garnishment, or other action may be initiated or taken by the Secretary, the Attorney General, or other administrative head of another Federal agency as the case may be, for the repayment of the amount due from a borrower on a loan made under this subpart that has been assigned to the Secretary under this subpart.*

### STUDENT LOAN INSURANCE FUND

SEC. 734. (a) There is hereby established a student loan insurance fund (hereinafter in this section referred to as the "fund") which shall be available without fiscal year limitation to the Secretary for making payments [in connection with the collection or default of loans] *in connection with the administration, collection and default of loans* insured by him under this subpart. All amounts received by the Secretary as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Secretary in connection with his operations under this subpart, and any other moneys, property, or assets derived by the Secretary from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured by the Secretary under this subpart shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest in the United States.

* * * * * * *

*(c) The Secretary may utilize not to exceed $1,000,000 of amounts available under this section for each of the fiscal years 1992*

*through 1996 to support the activities of the Office for Health Education Assistance Loans.*

POWERS AND RESPONSIBILITIES

SEC. 735. (a) * * *

* * * * * * *

*(1) Borrowers under this subpart who enter and remain in the primary care fields of osteopathic general practice, general internal medicine, general pediatrics and family medicine shall receive preference for participation in the National Health Service Corps Loan Repayment Program under section 338B.*

(c)[(1)]*(2)* The Secretary may enter into a written contract with a borrower under which the Secretary agrees to assume the obligations of paying an amount, [not to exceed $10,000 in any 12-month period] *not to exceed $35,000 in any 12-month period*, toward the principal and interest due on any loan made to the borrower and insured under this subpart and the borrower agrees to serve, either as a member of the National Health Service Corps or in private practice pursuant to section 338C (as determined by the Secretary), in a health professional shortage area (designated under section 332) which is described in section 338C(a)(2) for a continuous period of (A) not less than 12 months for each 12-month period the Secretary assumes such obligation under the agreement, or (B) 24 months, whichever is greater.

[(2)] *(3)* Except as provided in [paragraphs (3) and (4)] *paragraphs (4) and (5)*, if an individual, who has entered into a written contract under [paragraph (1)] *paragraph (2)*, for any reason breaches his contract obligations with respect to serving in a health professional shortage area for the period specified in the contract, the United States shall be entitled to recover damages from such individual in an amount determined in accordance with the formula

$$A = 3\phi(t - s/t)$$

in which "A" is the amount the United States is entitled to recover; "$\phi$" is the sum of the amounts paid by the Secretary under the contract to or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States; "t" is the total number of months in the individual's period of obligated service; and "s" is the number of months of such period served by him in accordance with the contract. Any amount of damages which the United States is entitled to recover under this paragraph shall be paid to the United States not later than one year after the date of the breach of such contract obligations.

[(3) The United States shall not be entitled to recover any damages from an individual under paragraph (2) upon the death of the individual.]

*(4) The obligation of a borrower to pay damages under this subsection shall be canceled only in the case of the death, bankruptcy or total permanent disability of the borrower. A borrower may not be*

*permitted to discharge in bankruptcy a loan made under this section within 5 years of the first date on which repayment of the damages is required.*

[(4)] *(5)* The Secretary shall by regulation provide for the waiver or suspension of any obligation of service or payment of any or all of the damages to which the United States is entitled under [paragraph (2)] *paragraph (3)* whenever the Secretary determines that compliance by an individual with the contract is impossible or would involve extreme hardship to the individual and that recovery of such damages with respect to the individual would be unconscionable.

* * * * * * *

DEFINITIONS

SEC. 737. As used in this subpart:

(1) * * *

* * * * * * *

(4) The term "school of allied health" means a program in a school of allied health (as defined in section [701(10))] *701(6))* which leads to a masters' degree or a doctoral degree.

* * * * * * *

***SEC. 737B. ANNUAL REPORT CONCERNING DEFAULT RATES.***

*(a) REPORT.—Not later than September 30, 1992, and annually thereafter, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report concerning the default rates for each—*

*(1) institution described in section 737(1) that is participating in the loan programs under this subpart;*

*(2) lender participating in the loan program under this subpart; and*

*(3) loan holder under this subpart.*

*(b) LIST OF DEFAULTERS.—As part of the report submitted under subsection (1), the Secretary shall compile, and publish in the Federal Register, a list of the borrowers who are in default under this subpart.*

*(c) NOTICES OF DEFAULT.—The Secretary shall annually send notices of default with respect to the borrowers identified on the list under subsection (b), to relevant Federal agencies and to organizations such as State licensing boards, hospitals with which such borrowers may be associated, and specialty organizations.*

* * * * * * *

ELIGIBILITY OF INSTITUTIONS

SEC. 739. (a) Notwithstanding any other provision of this subpart, the Secretary is authorized to prescribe such regulations as may be necessary to provide for—

(1) * * *

* * * * * * *

(3) the limitation, suspension, or termination of the eligibility under this subpart of any otherwise eligible institution, whenever the Secretary has determined, after notice and affording any opportunity for hearing, that such institution has violated or failed to carry out any regulation prescribed under this subpart; **[and]**

(4) the collection of information from the borrower, lender, or eligible institution to assure compliance with the provisions of section 731**[.]***;*

*(5) the assessing of tuition or fees to borrowers in amounts that are the same or less than the amount of tuition and fees assessed to non-borrowers;*

*(6) the submission, by the institution and the lender to the Office of Health Education Assistance Loans, of information concerning each loan made under this subpart, including the date when each such loan was originated, the date when each such loan is sold, the identify of the loan holder and information concerning a change in the borrowers status;*

*(7) the withholding of services, including academic transcripts, financial aid transcripts, and alumni services, by an institution from a borrower upon the default of such borrower of a loan under this subpart, except in case of a borrower who has filed for bankruptcy; and*

*(8) the offering, by the lender to the borrower, of a variety of repayment options, including fixed-rate, graduated repayment with negative amortization permitted, and income dependent payments for a limited period following by level monthly payments.*

* * * * * * *

*(c) Each participating institution must have, at the beginning of each academic year, a workshop concerning the provisions of this subpart that all student borrowers shall be required to attend.*

* * * * * * *

***SEC. 739B. OFFICE FOR HEALTH EDUCATION ASSISTANCE LOANS.***

*(a) ESTABLISHMENT.—The Secretary shall establish, within the Bureau of Health Professions, an office to be known as the Office for Health Education Assistance Loans (hereafter referred to in this section as the "Office".*

*(b) PURPOSE AND FUNCTIONS.—It shall be the purpose of the Office to achieve a reduction in the number and amounts of defaults on loans made or guaranteed under this part. In carrying out such purpose the Office may—*

*(1) conduct analytical and evaluative studies concerning loans and loan defaults;*

*(2) carry out activities designed to reduce loan defaults;*

*(3) respond to special circumstances that may exist in the financial lending environmental that may lead to loan defaults;*

*(4) coordinate with other Federal entities that are involved with student loan programs, including—*

*(A) with respect to the Department of Education, to develop a single student loan application form, a single student loan deferment form and a single disability form; and*

*(B) with respect to the Department of Justice to recover payments from health professionals who have defaulted on loans made or guaranteed under this part;*

*(5) provide technical assistance to lenders, servicers and schools concerning deferments and collection activities;*

*(6) establish a central student loan database; and*

*(7) carry out any other activities that the Secretary determines appropriate.*

* * * * * * *

## Subpart II—Students Loans

### LOAN AGREEMENTS

SEC. 740. (a) * * *

* * * * * * *

(c)(1) * * *

* * * * * * *

(B) collections of principal and interest on loans made pursuant to subparagraph (A), and any other earnings of the student loan fund attributable to amounts that are in the fund pursuant to such subparagraph, will be utilized only for the purpose described in [such paragraph] *such subparagraph.*

* * * * * * *

### LOAN PROVISIONS

SEC. 741. (a) * * *

* * * * * * *

(c) Such loans shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins one year after the student ceases to pursue a full-time course of study at a school of medicine, osteopathic medicine, dentistry, pharmacy, [podiatry, optometry,] *podiatric medicine, optometry, or* veterinary medicine, excluding from such ten-year period—

* * * * * * *

(f)(1) * * *

* * * * * * *

(B) who (i) obtained one or more loans from a loan fund established under this subpart, or (ii) obtained, under a written loan agreement entered into before October 12, 1976, any other educational loan for his costs at a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, pharmacy, or [podiatry] *podiatric medicine*; and

* * * * * * *

### AUTHORIZATION OF APPROPRIATIONS

SEC. 742. [(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under section 740, there are authorized to be appropriated $26,000,000 for the fiscal year ending September 30, 1978, $27,000,000 for the fiscal year ending September 30, 1979, $28,000,000 for the fiscal year ending September 30, 1980, $12,000,000 for the fiscal year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, and $14,000,000 for the fiscal year ending September 30, 1984.] [(b)]*(a)*(1) The Secretary shall from time to time set dates by which schools must file applications for Federal capital contributions.

(2) If the total of the amounts requested for any fiscal year in such applications exceeds the amounts appropriated under this section for that fiscal year, the allotment to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application; or (B) an amount which bears the same ratio to the amounts appropriated as the number of students estimated by the Secretary to be enrolled in such school during such fiscal year bears to the estimated total number of students in all such schools during such year. Amounts remaining after allotment under the preceding sentence shall be reallotted in accordance with clause (B) of such sentence among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund from exceeding the total so requested by it.

(3) Funds available in any fiscal year for payment to schools under this subpart which are in excess of the amount appropriated pursuant to this section for that year shall be allotted among schools in such manner as the Secretary determines will best carry out the purposes of this subpart.

(4) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

(5) Any funds from a student loan fund established under this subpart which are returned to the Secretary in any fiscal year shall be available for allotment under this subpart, in such fiscal year and the fiscal year succeeding such fiscal year, to schools which, during the period beginning on July 1, 1972, and ending on September 30, 1985, established student loan funds with Federal capital contributions under this subpart.

[(c)]*(b)*(1) With respect to making Federal capital contributions to student loan funds for purposes of section 740(c), there is authorized to be appropriated for such contributions [$15,000,000 for each of the fiscal years 1991 through 1993.] *$15,000,000 for each of the fiscal years 1992 through 1996.*

(2) In making Federal capital contributions to student loan funds for purposes of section 740(c), the Secretary shall give special consideration to health professions schools that have enrollments of underrepresented minorities above the national average for health professions schools.

* * * * * * *

### DEFINITION

SEC. 747. For purposes of this subpart, the term "school of pharmacy" means a public or nonprofit private school in a State that provides training leading to a degree of bachelor of science in pharmacy or an equivalent degree or a degree of doctor of pharmacy or an equivalent degree and which is accredited in the manner described in section [701(5)] *701(3)*.

* * * * * * *

### APPLICATIONS, PAYMENTS, AND ASSURANCES UNDER GRANTS

SEC. 709. (a) Grants made under this title may be paid (1) in advance or by way of reimbursement, (2) at such intervals and on such conditions as the Secretary may find necessary, and (3) with appropriate adjustments on account of overpayments or underpayments previously made.

(b) No grant may be made or contract entered into under this title unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

(c) Whenever in this title an applicant is required to provide assurances to the Secretary, or an application is required to contain assurances or be supported by assurances, the Secretary shall determine before approving the application that the assurances provided are made in good faith. *The applicant is further required to provide assurances to the Secretary that all trainees will receive instruction in the utilization of universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases.*

* * * * * * *

### *SEC. 711. PRIORITIES IN AWARDING OF GRANTS.*

*(a) ALLOCATION OF COMPETITIVE GRANT FUNDS.—In awarding competitive grants under this title or title VIII, the Secretary shall, among applicants that meet the eligibility requirements under such titles, give priority to entities submitting applications that—*

*(1) can demonstrate that such entities have training programs that demonstrate the presence of, or progress toward the development and integration of effective approaches and educational strategies to promote health and prevent disease and disability, especially in primary care, that will help meet the Healthy People 2000: National Health Promotion and Disease Prevention Objectives established by the Public Health Service; and*

*(2)(A) have a high permanent rate for placing graduates in practice settings which serve residents of medically underserved or rural communities; or*

*(B) will provide for not less than four of the following—*

*(i) the rotation of health professionals and students to clinical settings whose focus is to serve medically underserved communities or rural areas;*

*(ii) the appointment of health professionals whose practices serve medically underserved or rural communities to act as preceptors to supervise training in such settings;*

*(iii) a plan that insures that all health professionals and students receive information on practice opportunities involving medically underserved or rural communities;*

*(iv) service contingent scholarship or loan repayment programs for students and health professionals to encourage practice in or service to medically underserved or rural communities;*

*(v) the recruitment and admission of students from medically underserved or rural communities; and*

*(vi) other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved or rural communities.*

*(b) Service in Medically Underserved or Rural Communities.—Of the amounts appropriated for fiscal year 1995, and for each subsequent fiscal year, for competitive grants under this title or title VIII, the Secretary shall give preference in awarding grants to schools or programs that are otherwise eligible for grants under such titles, and that can demonstrate that—*

*(1) not less than 20 percent of the graduates of such schools or programs during the preceding 2-year period are engaged in full-time practice in a health professions shortage specialty in a medically underserved or rural community; or*

*(2) the number of the graduates of such schools or programs that are practicing in a medically underserved or rural community has increased by not less than 50 percent over that proportion of such graduates for the previous 2-year period.*

*Among the pool of applications that have been approved by the standard peer review process, funding preference shall apply only to those applications that score in the upper 80th percentile of those approved applications.*

*(c) Definitions.—As used in this section:*

*(1) Graduate.—The term "graduate" means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.*

*(2) Medically underserved community.—The term "medically underserved community" means—*

*(A) an area designated under section 332 as a health professional shortage area;*

*(B) an area or population designated as a medically underserved area under section 330(b)(3), including areas designated under section 330(b)(6);*

*(C) populations served by migrant health centers under section 329, community health centers under section 330, programs providing health services for the homeless under section 340, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;*

*(D) a community that is certified as underserved by the Secretary for purposes of participation in the rural health*

*clinic program under title XVIII of the Social Security Act; or*

*(E) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.*

*(3) RURAL COMMUNITY.—The term "rural" refers to geographic areas that are located outside of standard metropolitan statistical areas.*

### *SEC. 712. SAVINGS PROVISION WITH RESPECT TO CURRENT GRANTS OR CONTRACTS.*

*Notwithstanding any other provision of law, in the case of any authority for the provision of a grant or contract that is terminated by any provision of this Act (as it amends title VII or VIII of the Public Health Service Act), the Secretary of Health and Human Services shall, notwithstanding the termination of such authority, continue in effect any grant or contract awarded or entered into under the authority that is in effect on the day before the date of enactment of this Act, subject to the duration of any such grant or contract not exceeding the period determined by the Secretary in first approving such grant or contract, or in approving the most recent request made (prior to such date of enactment) for the continuation of such grant or contract, as the case may be.*

### *SEC. 713. EVALUATION AND REPORT.*

*(a) EVALUATION.—The Office of Technology Assessment shall, in accordance with Technology Assessment Act of 1972 (Public Law 92-484), conduct a program evaluation of the programs, projects and activities of the Secretary of Health and Human Services under title VII and title VIII of the Public Health Services Act (as amended by this Act), to determine their effectiveness in—*

*(1) increasing the number of primary care providers (physicians, physician assistants, nurse midwives, nurse practitioners and general dentists), nurses and allied health personnel; and*

*(2) improving the geographic distribution of health professionals in medically underserved and rural areas.*

*(b) CONTENT.—The evaluation conducted under subsection (a) should determine—*

*(1) whether or not funding under title VII of the Public Health Service Act (as amended by this Act) has increased the number of primary care practitioners (family medicine, general internal medicine, general pediatrics, general dentistry, and physician assistants) in medically underserved and rural communities;*

*(2) whether or not funding under title VII of such Act (as amended by this Act) has increased the number of allied health professionals in medically underserved and rural communities;*

*(3) whether or not funding under title VIII of such Act (as amended by this Act) has increased the number of nurses in medically underserved and rural communities;*

*(4) whether or not access to health care services in medically underserved and rural communities has been affected by programs funded under title VII or VIII of such Act (as amended by this Act);*

*(5) whether or not the various mechanisms (e.g., scholarships, fellowships, traineeships, loan repayment programs, project grants, and education centers) have been effective in producing health care professionals who work or practice in medically underserved and rural communities and the relative impact or effectiveness of each mechanism;*

*(6) the duration of service in medically underserved and rural communities of health professionals whose training was funded by titles VII and VIII of such Act (as amended by this Act) or who received financial incentives to practice in these communities;*

*(7) the geographic distribution of former trainees under title VII and VIII of such Act (as amended by this Act) working in medically underserved and rural communities; and*

*(8) other such factors as may be relevant to the reauthorization of such titles.*

*(c) Report.—Not later than March 31, 1996, the Office of Technology Assessment shall prepare and submit to the Labor and Human Resources Committee of the Senate, and the Subcommittee on Labor, Health and Human Services of the Committee on Appropriations of the Senate, and the Committee on Energy and Commerce of the House of Representatives, and the Subcommittee on Labor, Health and Human services of the Committee on Appropriations of the House of Representatives, and the Secretary of Health and Human Services a report concerning the findings and recommendations of the Office concerning the best strategies for future funding of allocations under title VII and title VIII of the Public Health Service Act.*

* * * * * * *

## [Part B—Grants and Loan Guarantees and Interest Subsidies for Construction of Teaching Facilities for Medical, Dental, and Other Health Personnel

### [GRANT AUTHORITY; AUTHORIZATION OF APPROPRIATIONS

[Sec. 720. (a)(1) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

[(2)(A) The Secretary may make grants to public and nonprofit private entities to assist in the construction of ambulatory, primary care teaching facilities for the training of physicians and dentists.

[(B) For purposes of this section, the term "ambulatory, primary care teaching facilities" means areas dedicated for the training of students in the diagnosis and treatment of ambulatory patients and primarily in the specialities of family practice, general pediatrics, general internal medicine, general dentistry, and pedodontics. Such areas may include examination rooms, clinical laboratories, libraries, classrooms, offices, and other areas for clinical or research purposes necessary for, and appropriate to, the conduct of comprehensive ambulatory, primary car training of physicians and dentists in such specialties.

[(3) The Secretary may make grants to schools providing the first two years of education leading to the degree of doctor of medicine to assist in the construction of the teaching facilities which the schools require to become schools of medicine.

[(b) For the purpose of grants under subsection (a)(3), there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1983, to remain available until expended.

### [APPROVAL OF APPLICATIONS

[SEC. 721. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for grants under this part for any fiscal year must be filed.

[(b)(1) To be eligible to apply for a grant under section 720(a)(3) the applicant must be a public or nonprofit school providing the first two years of education leading to the degree of doctor of medicine and be accredited by a recognized body or bodies approved for such purpose by the Secretary of Education. To be eligible to apply for a grant to assist in the construction of any facility under paragraph (1) or (2) of section 720(a), the applicant must be (A) a public or other nonprofit school of medicine, dentistry, osteopathic medicine, pharmacy, optometry, podiatry; veterinary medicine, or public health, and (B) accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, except that a new school which (by reason of no, or an insufficient, period of operation) is not, at the time of application for a grant under section 720(a)(1) to construct a facility under this part, eligible for accreditation by such a recognized boy or bodies, shall be deemed accredited for purposes of this part if the Commissioner of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies; (i) prior to the beginning of the academic year following the normal graduation date of the first entering class in such school or (ii) if later, upon completion of the project for which assistance is requested and other projects (if any) under construction or planned and to be commenced within a reasonable time, or (C) any combination of schools which are described in clause (A) and which meet the requirements of clause (B).

[(2) Notwithstanding paragraph (1), in the case of an affiliated hospital or affiliated outpatient facility, an application for a grant under section 720(a)(1) which is approved by the school of medicine, osteopathic medicine, or dentistry with which the hospital or outpatient facility is affiliated and which otherwise complies with the requirements of this part may be filed by any public or other nonprofit agency qualified to file an application under section 605.

[(3) In the case of any application, whether filed by a school or, in the case of an affiliated hospital or affiliated outpatient facility, by any other public or other nonprofit agency, for a grant under section 720(a)(1) to assist in the construction of a hospital or outpatient facility, as defined in section 645—

[(A) if the hospital or outpatient facility is needed in connection with a new school, only that portion of the project to construct the hospital or outpatient facility which the Secretary determines to be reasonably attributable to the need of such school for the facility for teaching purposes,

[(B) if the construction is in connection with expansion of the training capacity of an existing school, only that portion of the project to construct the hospital or outpatient facility which the Secretary determines to be reasonably attributable to the need of such school for the facility in order to expand its training capacity, or

[(C) if the construction is in connection with renovation or rehabilitation of a hospital or outpatient facility used by an existing school, only that portion of the project which the Secretary determines to be reasonably attributable to the need of such school for the hospital or outpatient facility in order to prevent curtailment of enrollment or quality of training of the school or to meet an increase in student enrollment,

shall be regarded as the project with respect to which payments may be made under section 722.

[(c) A grant under section 720(a)(1) may be made only if the application therefor is approved by the Secretary upon his determination that—

[(1) the applicant meets the eligibility conditions set forth in subsection (b);

[(2) the application contains or is supported by reasonable assurances that (A) the facility is intended to be used for the purposes for which the application has been made, (B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, and (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed;

[(3)(A) in the case of an application for a grant to assist in the construction of new teaching facilities, such application is for aid in the construction of a new school of medicine, osteopathic medicine, dentistry, pharmacy, optometry, podiatric medicine, veterinary medicine, or public health, or construction which will expand the training capacity of an existing school of medicine, osteopathic medicine, dentistry, pharmacy, optometry, podiatric medicine, veterinary medicine, or public health, or (B) in the case of an application for a grant to assist in the replacement or rehabilitation of existing teaching facilities, such application is for aid in construction which will replace or rehabilitate facilities of, or used by, an existing school of medicine, osteopathic medicine, dentistry, pharmacy, optometry, podiatric medicine, veterinary medicine, or public health, which facilities either are so obsolete as to require the school to curtail substantially either its enrollment or the quality of the training provided (and, for purposes of this part, expansion or curtailment of capacity for continuing education shall also be considered expansion and curtailment, respectively, of training capacity) or are required to meet an increase in student enrollment;

[(4) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment;

[(5) if the application requests aid in construction of a facility which is a hospital or outpatient facility, as defined in section 645, an application with respect thereto has been filed under title VI and has been denied thereunder because (A) the project has no or insufficient priority, or (B) funds are not available for the project from the State's allotments under title VI;

[(6) in the case of an application for a project for the construction of a facility intended, at least in part, for the provision of health services, an opportunity has been provided for comment on the project by (A) the State agency administering or supervising the administration of the State plan approved under section 314(a), and (B) the public or nonprofit private agency or organization responsible for the plan or plans referred to in section 314(b) and covering the area in which such project is to be located or if there is no such agency, such other public or nonprofit private agency or organization (if any) as performs, as determined in accordance with criteria of the Secretary, similar functions; and

[(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have, with respect to the labor standards specified in paragraph (7), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c). Before approving or disapproving an application under this part, the Secretary shall secure the advice of the National Advisory Council on Health Professions Education established by section 702 (hereinafter in this part referred to as the "Council").

[(d) In considering applications for grants under section 720(a)(1), the Council and the Secretary shall take into account

[(1)(A) in the case of a project for a new school or for expansion of the facilities of, or used by, an existing school (other than a project for facilities for continuing education), the relative effectiveness of the proposed facilities in expanding the capacity for the training of first-year students of medicine, dentistry, pharmacy, optometry, podiatric medicine, veterinary medicine, or osteopathy (or, in the case of a two-year school which is expanding to a four-year school, expanding the capacity for four-year training of students in the field), or for the training of professional public health personnel, and in promoting an equitable geographical distribution of opportunities for such training (giving due consideration to population, available physicians, pharmacists, optometrists, podiatrists, veterinarians, dentists, or professional public health personnel, and available resources in various areas of the Nation for training such persons); or

[(B) in the case of a project for replacement or rehabilitation of existing facilities of, or used by, a school (other than a project for facilities for continuing education), the relative need for such replacement or rehabilitation to prevent curtailment of the school's enrollment or deterioration of the quality of the training provided by the school, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training (giving consideration to the factors mentioned above in paragraph (A)); and

[(2) in the case of an applicant in a State which has in existence a State planing agency, or which participates in a regional or other interstate planning agency, described in section 728, the relationship of the application to the construction or training program which is being developed by such agency with respect to such State and, if such agency has reviewed such application, any comment thereon submitted by such agency.

[(e) In the case of applications for a grant under section 720(a)(1) to aid in the construction of new schools of medicine, osteopathic medicine, or dentistry, the Secretary shall give special consideration to those applications which contain or are reasonably supported by assurances that, because of the use that will be made of existing facilities (including Federal medical or dental facilities), the school will be able to accelerate the date on which it will begin its teaching program. In considering applications submitted for a grant under section 720(a)(1) for the cost of construction of teaching facilities for the training of physicians, the Secretary shall give special consideration to projects in States which have no such facilities for the training of physicians, the Secretary shall give special consideration to projects in States which have no such facilities.

[(f)(1) An application for a grant under subsection (a) of section 720 for the fiscal year ending September 30, 1977, for an affiliated clinical facility for the establishment or expansion of a regional health professions program may be filed by any public or other nonprofit agency if the application is approved by the school of veterinary medicine, optometry, pediatric medicine, or pharmacy with which the facility is affiliated. Only that portion of the project to construct such a facility which the Secretary determines to be reasonably attributable to the need of the regional health professions program for the facility for teaching purposes shall be regarded as the project with respect to which payments may be made under section 722.

[(2) In considering applications for grants under subsection (a) of section 720 for the fiscal year ending September 30, 1977, the Secretary shall give special consideration to applications for facilities for the establishment or expansion of regional health professions programs.

[(3) For the purposes of this subsection, the term "regional health professions program" refers to an interstate program (A) in which a State with an existing degree-granting school of veterinary medicine, optometry, pediatric medicine, or pharmacy sets up a cooperative program with another State (or other States) which does not have such a school, and (B) which provides for (i) a shared curriculum between two or more schools, or (ii) a single campus which is cooperatively financed and controlled by two or more States.

[(g)(1) A grant under paragraph (2) or (3) of section 720(a) may be made only if the application therefor is approved by the Secretary upon his determination that—

[(A) the application contains or is supported by reasonable assurances that (i) the facility is intended to be used for purposes for which the application has been made, (ii) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, and (iii) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed;

[(B) the plans and specifications are in accordance with regulations relating to minimum standards for construction and equipment; and

[(C) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have the respect to the labor standards specified in subparagraph (C) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

[(2) In making grants to entities under section 720(a)(2) the Secretary shall give special consideration to entities which have been awarded grants or received contracts under section 781, 784, or 786 (relating to area health education centers, general internal medicine and general pediatrics, and family medicine and the general practice of dentistry).

### [AMOUNT OF GRANT; PAYMENTS

[SEC. 722. (a)(1) The amount of any grant under section 720(a)(1) for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice from the Council, except that no grant for any project may exceed 80 percent of the necessary costs of construction, as determined by the Secretary, of such project.

[(2) The amount of any grant under section 720(a)(2) for construction of a facility shall be such amount as the Secretary determines to be appropriate, except that no grant for any facility may exceed the lesser of—

[(A) 50 percent of the total cost of such facility,

[(B) $1,000,000.

[(3) The amount of any grant under section 720(a)(3) shall be such amount as the Secretary determines to be appropriate after obtaining advice from the Council, except that no grant for any project may exceed 80 percent of the necessary costs of construction, as determined by the Secretary.

[(b) Upon approval of any application for a grant under this part, the Secretary shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a); the amount so reserved may be paid in advance or by way or reimbursement, and in such installments consistent with construction progress, as the Secretary may determine. The Secretary's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

[(c) In determining the amount of any grant under this part, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained, or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this part, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

[(d) In the case of a project for construction of facilities which are primarily (as determined in accordance with regulations of the Secretary) for teaching purposes and for which a grant may be made under section 720(a)(1), but which also are for research purposes, or research and related purposes, in the sciences related to health or for medical library purposes (within the meaning of part J of title III), the project shall, insofar as all such purposes are involved, be regarded as a project for facilities with respect to which a grant may be made under this part.

### [RECOVERY

[SEC. 723. (a) If at any time within twenty years (or within such shorter period as the Secretary may prescribe by regulation for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under section 720(a)—

[(1)(A) in case of a facility which was an affiliated hospital or outpatient facility with respect to which funds have been paid under section 720(a)(1), the owner of the facility ceases to be a public or other nonprofit agency that would have been qualified to file an application under section 605,

[(B) in case of a facility which was not an affiliated hospital or outpatient facility but was a facility with respect to which funds have been paid under paragraph (1) or (3) of section 720(a), the owner of the facility ceases to be a public or nonprofit school, or

[(C) in case of a facility which was a facility with respect to which funds have been paid under section 720(a)(2), the owner of the facility ceases to be a public or nonprofit entity,

[(2) the facility ceases to be used for the teaching or training purposes (or other purposes permitted under section 722) for which it was constructed, or

[(3) the facility is used for sectarian instruction or as a place for religious worship, the United States shall be entitled to recover from the owner of the facility the base amount prescribed by subsection (c)(1) plus the interest (if any) prescribed by subsection (c)(2).

[(b) The owner of a facility which ceases to be a public or nonprofit agency, school, or entity as described in subparagraph (A), (B), or (C) of subsection (a)(1), as the case may be, or the owner of a facility the use of which changes as described in paragraph (2) or (3) of subsection (a), shall provide the Secretary written notice of such cessation or change of use within 10 days after the date on which such cessation or change of use occurs or within 30 days after the date of enactment of this subsection, whichever is later.

[(c)(1) The base amount that the United States is entitled to recover under subsection (a) is the amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district in which the facility is situated) of the facility as the amount of the Federal participation bore to the cost of construction.

[(2)(A) The interest that the United States is entitled to recover under subsection (a) is the interest for the period (if any) described in subparagraph (B) at a rate (determined by the Secretary) based on the average of the bond equivalent rates of ninety-one-day Treasury bills auctioned during that period.

[(B) The period referred to in subparagraph (A) is the period beginning—

> [(i) if notice is provided as prescribed by subsection (b), 191 days after the date on which the owner of the facility ceases to be a public or nonprofit agency, school, or entity as described in subparagraph (A), (B), or (C) of subsection (a)(1), as the case may be, or 191 days after the date on which the use of the facility changes as described in paragraph (2) or (3) of subsection (a), or
>
> [(ii) if notice is not provided as prescribed by subsection (b), 11 days after the date on which such cessation or change of use occurs,

and ending on the date the amount the United States is entitled to recover is collected.

[(d) The Secretary may waive the recovery rights of the United States under subsection (a)(2) with respect to a facility (under such conditions as the Secretary may establish by regulation) if the Secretary determine that there is good cause for waiving such rights.

[(e) The right of recovery of the United States under subsection (a) shall not, prior to judgment, constitute a lien on any facility.

### [REGULATIONS

[SEC. 724. (a) The Secretary, after consultation with the Council, shall prescribe general regulations for this part covering the eligibility of entities, the order of priority in approving applications, the terms and conditions for approving applications, determinations of the amounts of grants, and minimum standards of construction and equipment for various types of entities.

[(b) The Secretary may make such other regulations as he finds necessary to carry out the provisions of this part.

### [TECHNICAL ASSISTANCE

[SEC. 725. The Secretary may provide technical assistance (1) to applicants under this part and other public or nonprofit private schools, agencies, organizations, and institutions, and combinations thereof, in designing and planning the construction of any facility for which financial assistance may be provided under this part, and (2) to State or interstate planning agencies established to plan programs for relieving shortages of training capacity for health personnel.

### [LOAN GUARANTEES AND INTEREST SUBSIDIES

[SEC. 726. (a) To assist nonprofit private entities to carry out approved construction projects for teaching facilities, the Secretary may, during the period beginning July 1, 1971, and ending with the close of September 30, 1980, guarantee (in accordance with this section and subject to subsection (f)) to any non-Federal lender or the Federal financing Bank which makes a loan to such an entity for such a project payment when due of the principal of and interest on such loan if such entity is eligible (as determined under regulations of the Secretary) for a grant under this part for such project. The Secretary may make commitments, on behalf of the United States, to make such loan guarantees prior to the making of such loans. No such loan guarantee may, except under special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant under this part or any other law of the United States, exceeds 90 percent of the cost of the construction of the project.

[(b) In the case of any nonprofit private entity which is eligible (as determined under regulations of the Secretary) for a grant under this part to assist it in carrying out an approved construction project for teaching facilities after June 30, 1971, and to whom a loan has been made before October 1, 1981, by a non-Federal lender or the Federal Financing Bank to assist it in carrying out such project, the Secretary may, subject to subsection (f), pay to the holder of such loan (and for and on behalf of the entity which received such loan) amounts sufficient to reduce by not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

[(c) A loan guarantee or interest subsidy payment may be made under this section only upon an application (submitted in such manner and containing such information as the Secretary may by regulations require) approved by the Secretary. The Secretary may not approve an application for a loan guarantee or interest subsidy payment unless he determines that the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may not approve an application for a loan guarantee, unless he determines that the loan would not be available on reasonable terms and conditions without the guarantee under this section.

[(d)(1) The United States shall be entitled to recover from the applicant for a loan guarantee under this section the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

[(2) To the extent permitted by paragraph (3), any terms and conditions applicable to a loan guarantee under this section may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

[(3) Any loan guarantee made by the Secretary pursuant to this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

[(e) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed $8,000,000 in the fiscal year ending June 30, 1972, $16,000,000 in the fiscal year ending June 30, 1973, $24,000,000 in the fiscal year ending June 30, 1974 or in any of the next three fiscal years, $2,000,000 in the fiscal year ending September 30, 1978, $3,000,000 in the fiscal year ending September 30, 1979, $3,000,000 in the fiscal year ending September 30, 1980, and $4,300,000 for the fiscal year ending September 30, 1982, and each of the next two fiscal years. There shall also be deposited in the fund amounts received by the Secretary or other property or assets derived by him from his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under the Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

[(f)(1) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

[(2) In any fiscal year no loan guarantee may be made under subsection (a) and no agreement to make interest subsidy payments may be entered into under subsection (b) if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

[(A) the principal of the loans guaranteed under subsection (a) in such fiscal year, and

[(B) the principal of the loans for which no guarantee has been made under subsection (a) and without respect to which an agreement to make interest subsidy payments is entered into under subsection (b) in such fiscal year,

to exceed the amount of grant funds obligated under this part in such fiscal year; except that this paragraph shall not apply if the amount of grant funds obligated under this part in such fiscal year equals the sums appropriated for such fiscal year under section 720.]

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## Subpart III—Loan Repayment Program for Allied Health Personnel

### SEC. 751. ESTABLISHMENT OF PROGRAM.

(a) In General.—The Secretary shall establish a program of entering into agreements with allied health personnel and with allied health professions students under which such individuals agree, in consideration of the agreement described in subsection (b) (relating to loan repayment), to serve as an allied health professional for a period of not less than two years in [an Indian Health Service health center, in a Native Hawaiian health center, in a rural health clinic, in a rural health facility that is a sole community provider, in any other rural hospital, in a rural home health agency, in a rural or urban hospital that serves a substantial number of patients pursuant to title XIX of the Social Security Act, in a private nursing facility 60 percent of whose patients are patients pursuant to title XIX of such Act, in a public nursing facility, in a migrant health center, in a community health center, or in a health facility determined by the Secretary to have a critical shortage of nurses.] *a medically underserved or rural community that can demonstrate a shortage of allied health professionals in a recognized discipline.*

* * * * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated [$2,000,000 for each of the fiscal years 1989 through 1991.] *$5,000,000 for each of the fiscal years 1992 through 1996.*

### [Subpart IV—National Health Service Corps Scholarships]

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### Subpart V—Other Scholarships

#### SCHOLARSHIPS FOR FIRST-YEAR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

SEC. 758. (a) * * *

* * * * * * *

(d) For the purpose of making grants under this section, there is authorized to be appropriated [$16,000,000 for the fiscal year ending September 30, 1978, $17,000,000 for the fiscal year ending September 30, 1979, $18,000,000 for the fiscal year ending September 30, 1980, $6,000,000 for the fiscal year ending September 30, 1982, $6,500,000 for the fiscal year ending September 30, 1983, $7,000,000 for the fiscal year ending September 30, 1984, $7,000,000 for the fiscal year ending September 30, 1986, $7,000,000 for the fiscal year ending September 30, 1987, $7,000,000 for the fiscal year ending September 30, 1988, $7,300,000 for fiscal year 1989, $30,000,000 for fiscal year 1990, and $30,000,000 for fiscal year 1991.] *$30,000,000 for each of the fiscal years 1992 through 1996.*

#### [LISTER HILL SCHOLARSHIP PROGRAM

[SEC. 759. (a) The Secretary annually shall make grants to at least 10 individuals (to be known as Lister Hill scholars) for scholarships of up to $8,000 per year for up to four years of medical school if such individuals agree to enter into the family practice of medicine in a health professional shortage area in accordance with this section. Grants made under this section shall be made only from funds appropriated under subsection (b).

[(b) There are authorized to be appropriated to carry out the purposes of this section $80,000 for the fiscal year ending September 30, 1977, $160,000 for the fiscal year ending September 30, 1978, $240,000 for the fiscal year ending September 30, 1979, and $320,000 for the fiscal year ending September 30, 1980. For the fiscal year ending September 30, 1981, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to October 1, 1980) have received such a grant under this section during such succeeding fiscal year.]

## Subpart VI—Assistance for Students From Disadvantaged Backgrounds

### SEC. 760. GRANTS FOR SCHOLARSHIPS AND OTHER PURPOSES.

(a) ESTABLISHMENT OF PROGRAM.—

(1) IN GENERAL.—The Secretary may make grants to health professions schools for the purpose of assisting such schools, subject to subsection (e), in providing scholarships to individuals who—

(A) are [individuals] from disadvantaged backgrounds; and

*  *  *  *  *  *  *

(g) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated [$17,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993.] *$17,000,000 for each of the fiscal years 1992 through 1996.*

*  *  *  *  *  *  *

### SEC. 761. LOAN REPAYMENT PROGRAM REGARDING SERVICE ON FACULTIES OF CERTAIN HEALTH PROFESSIONS SCHOOLS.

(a) * * *

*  *  *  *  *  *  *

[(b) ELIGIBLE INDIVIDUALS.—The individuals referred to in subsection (a) are individuals from disadvantaged backgrounds who—]

*(b) ELIGIBLE INDIVIDUALS.—The individuals referred to in subsection (a) are individuals from disadvantaged backgrounds who are newly employed as faculty of the eligible school and who have not been members of the faculty of any school at any time during the 18-month period preceding the date of application, and who—*

*  *  *  *  *  *  *

(d) ADDITIONAL LIMITATION ON AMOUNT OF REPAYMENTS.—Payments made by the Secretary under subsection (a) regarding the educational loans of an individual may not, for any year for which the payments are made, exceed an amount [equal to 50 percent] *equal to 20 percent* of the principal and interest due on such loans [for such year].

*  *  *  *  *  *  *

(h) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated [$4,000,000 for each of the fiscal years 1991 through 1993.] *$5,000,000 for each of the fiscal years 1992 through 1996.*

## PART F—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

### PROJECT GRANTS FOR ESTABLISHMENT OF DEPARTMENTS OF FAMILY MEDICINE

SEC. 780. (a) * * *

*  *  *  *  *  *  *

(b) The Secretary may not approve an application for a grant under subsection (a) unless such application contains—

(1) assurance satisfactory to the Secretary that the academic administrative unit with respect to which the application is made will (A) be comparable to academic administrative units for other major clinical specialties offered by the applicant, (B) be responsible for directing an amount of the curriculum for each member of the student body engaged in an education program leading to the awarding of the degree of doctor of medicine or doctor of osteopathy which amount is determined by the Secretary to be comparable to the amount of curriculum required for other major clinical specialties in the school, (C) have a number of full-time faculty which is determined by the Secretary to be sufficient to conduct the instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialities in the school, and (D) have control over (or in the case of a school of osteopathic medicine, have control over or be closely affiliated with) a three-year approved or provisionally approved residency training program in family practice or its equivalent as determined by the Secretary which shall have the capacity to enroll a total of no less than nine interns or residents per year; [and]

* * * * * * *

*(2) in the case of an applicant with an existing department or division of family medicine, assurance satisfactory to the Secretary that such applicant will secure financial support from non-Federal sources in amounts that shall increase annually, and that the applicant has developed a plan for future self-sufficiency; and*

[(2)] *(3)* such other information as the Secretary shall be regulation prescribe.

[(c) In making grants under subsection (a), the Secretary shall give priority to applicants that demonstrate to the satisfaction of the Secretary a commitment to family medicine in their medical education training programs.]

*(c) In making grants under subsection (a), the Secretary shall give priority to applications that—*

*(1) establish new Departments of Family Medicine; or*

*(2) demonstrate the substantial expansion of program activities in existing Departments of Family Medicine.*

(d) For the purpose of carrying out this section, there are authorized to be appropriated [$10,000,000 for the fiscal year ending September 30, 1978, $15,000,000 for the fiscal year ending September 30, 1979, $20,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, $11,000,000 for the fiscal year ending September 30, 1984, $7,000,000 for the fiscal year ending September 30, 1986, $7,000,000 for the fiscal year ending September 30, 1987, $7,000,000 for the fiscal year ending September 30, 1988, and $7,000,000 for each of the fiscal years 1989 through 1991.] *$10,000,000 for fiscal year 1992, $11,000,000 for fiscal year 1993, $12,000,000 for fiscal year*

*1994, $13,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.*

AREA HEALTH EDUCATION CENTERS

SEC. 781. (a)(1) The Secretary shall enter into [contracts] *agreements* with schools of medicine and osteopathic medicine for the planning, development, and operation of area health education center programs.

(2)(A) The Secretary shall enter into [contracts] *agreements* with schools of medicine and osteopathic medicine—

* * * * * * *

*(3)(A) Except as provided in subparagraph (B), an agreement entered into under this subsection for establishment of a center shall remain in effect for a period of 6 years from the date on which such agreement was executed. Such agreement shall be extended to the extent necessary to provide Federal funds under such agreement, for a 6-year period, to all centers operated or developed and operated with funds received under such agreement.*

*(B) The agreements referred to in subparagraph (A) may be terminated by the Secretary on a determination by the Secretary that a center, developed and operated with funds received under such agreement, has not performed in a satisfactory manner.*

* * * * * * *

(c) Each medical (M.D. and D.O.) school participating in an area health education center program shall—

(1) * * *

* * * * * * *

(3) be responsible for, or conduct, a program for the training of physican assistants [(as defined in section 701(7))] or nurse practitioners (as defined in section 822) which gives special consideration to the enrollment of individuals from, or intending to practice in, the area served by the area health education center of the program; and

(4) provide for the active participation of a least 2 schools or programs of other health professions (including a school of dentistry *or program in clinical psychology* if there is one affiliated with the university with which the school of medicine or osteopathic medicine is affiliated) in the educational program conducted in the area served by area health education center.

The requirement of paragraph (3) shall not apply to medical (M.D. and D.O.) school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph. The Secretary may waive, for good cause shown, all or part of the requirement of paragraph (2) as it applies to a medical (M.D. and D.O.) school participating in an area health education center program if another such school participating in the same program meets the requirement of the paragraph. *The Secretary shall give preference in awarding contracts under this section to applicants that will establish new programs. The Secretary shall give priority in awarding contracts under this section to applicants that establish linkages with a* *school of public health, if such a school exists within the area being served by such center and desires to participate.*

* * * * * * *

(e) In entering into [contracts] *agreements* under this section the Secretary shall assure that—

* * * * * * *

(3) no [contract] *agreement* shall provide funds solely for the planning or development of such a program for a period of longer than two years.

The Secretary may vest in entities which have received [contracts] *agreements* under section 802 of the Health Professions Educational Assistance Act of 1976, section 774 as in effect before October 1, 1977, or under subsection (a) of this section for area health education centers programs title to any property acquired on behalf of the United States by that entity (or furnished to the entity by the United States) under that contract.

(f)(1) The Secretary shall enter into [contracts] *agreements* with schools of medicine and osteopathic medicine for the purpose of planning, developing, establishing, maintaining, and operating health educating and training centers—

(A) to improve the supply, distribution, quality, and efficiency of personnel providing (in the United States) health services along the border between the United States and Mexico *and in other high-impact urban or rural areas (as determined by the Secretary)*;

(B) to improve the supply, distribution, quality, and efficiency of personnel providing, in other urban and rural areas (including frontier areas) of the United States, health services to any population group, including Hispanic *and other high risk* individuals, that has demonstrated serious unmet health care needs; and

* * * * * * *

(2) The Secretary may not enter into a [contract] *agreement* under paragraph (1) unless the applicant for such assistance agrees, in carrying out the purpose described in such paragraph, to enter into arrangements with one or more public or nonprofit private entities in the State that have expertise in providing health education to the public.

(3) The Secretary shall, after consultation with health education and training centers, designate the geographic area in which each such center will carry out the purpose described in paragraph (1). The service area of such a center shall be located entirely within the State in which the center is located. Each border *or high impact* health education and training center shall be located in a county (or other political subdivision) of the State in close proximity to the border between the United States and Mexico *or a high impact urban or rural area (as determined by the Secretary).*

(4) * * *

* * * * * * *

(c) to enter into [contracts], *agreements,* as needed, with other institutions or entities to carry out such plan; and

* * * * * * *

(5) The Secretary may not make a grant or enter into a [contract] *agreement* under paragraph (1) unless the applicant for such assistance agrees—

* * * * * * *

(6) The Secretary shall give priority in the funding of a health education training center under such agreement to applicants that establish linkages with a school of public health, if such a school exists within the area being served by such center and desires to participate.

[(6)] *(7)* In carrying out this subsection, the Secretary shall ensure that—

* * * * * * *

[(7)] *(8)* For purposes of this subsection:

(A) The term "border health education and training center" means an entity that is a recipient of a [contract] *agreement* under paragraph (1) and that is carrying out (or will carry out) the purpose described in subparagraph (A) of such paragraph.

(B) The term "health education and training center" means an entity that is a recipient of a [contract] *agreement* under paragraph (1).

* * * * * * *

[(8)]*(9)*(A) Of the amounts appropriated pursuant to subsection [(h)(2)] *(i)(2)* for a fiscal year, the Secretary shall make available 50 percent for allocations each fiscal year for applications approved by the Secretary for border health education and training centers. The amount of the allocation for each such center shall be determined in accordance with subparagraph (B).

(B) The amount of an allocation under subparagraph (A) for a fiscal year shall be determined in accordance with a formula prescribed by the Secretary, which formula shall be based—

(i) with respect to the service area of the border health education and training center involved, on the low-income population, including Hispanic *and Native American* individuals, along the border between the United States and Mexico and the growth rate of such population;

* * * * * * *

*(g)(1)(A) The Secretary may enter into agreement with eligible schools of medicine and osteopathic medicine for the planning, development and operation of State supported area health education center programs that meet the requirements of subparagraph (B).*

*(B) To be eligible to receive an agreement award under this section, the applicant shall ensure that the program supported with amounts received under the agreement will—*

*(i) meet the other requirements of subsections (b) and (c);*

*(ii) create and maintain preceptorship educational experiences for health science students;*

*(iii) develop or affiliate with community-based primary care residency programs;*

*(iv) institute or coordinate with continuing education programs for health professionals;*

*(v) establish and maintain learning resource and dissemination systems for information identification and retrieval;*

*(vi) enter into agreements with community based organizations for the delivery of services supported under this authority;*

*(vii) become involved in the training of nurses, allied and other health professionals and, where consistent with State laws, nurse practitioners and physicians assistants;*

*(viii) carry out recruitment programs for health science professions among minority and other elementary or secondary students from areas the program determines to be medically underserved; and*

*(ix) carry out not less than three of the activities described in subparagraph (C).*

*(C) The activities referred to in subparagraph (B)(ix) shall include—*

*(i) coordinating with an Office of Rural Health in the State that is operating in the area served by the center, wherein one exists;*

*(ii) administering appropriate National Health Service Corps program activities in the area serviced by the center, except that such center shall provide only support services if the responsibility for such administration has been assigned to any other State agency;*

*(iii) working directly with local health departments in the area served by the center;*

*(iv) participating in community and migrant health centers and similar provider activities in the area to be served by the centers; or*

*(v) cooperating with other federally and State funded health service provider recruitment and retention programs operating in the area to be served by the center.*

*(2) Amounts received under an agreement entered into under this subsection shall be sufficient to enable a State supported area health education program to carry out demonstration projects concerning subjects determined appropriate by the Secretary, including, but not limited to—*

*(A) the establishment of computer-based information programs or telecommunication networks that will link health science centers and service delivery sites;*

*(B) the provision of disease specific educational programs for health providers and students in areas of concern to the United States;*

*(C) the development of information dissemination models to make available new information and technologies emerging from biological research centers to the practicing medical community;*

*(D) the institution of new minority recruitment and retention programs, targeted to improved service delivery in areas the program determines to be medically undeserved;*

*(E) the establishment of State health service corps programs to place physicians from health professional shortage areas into similar areas to encourage retention of physicians and to pro-*

*vide flexibility to States in filling positions in health professional shortage areas; and*

*(F) the establishment or improvement of education and training programs for State emergency medical systems.*

*(3) The Secretary shall not provide in excess of $2,000,000 per annum per State, or per program where that program serves more than one State, or an aggregate amount based on an average award of $250,000 per center to be supported in the States in which the program is operating, whichever is less, to programs under this subsection.*

*(4) An agreement entered into under this subsection shall require that the program—*

*(A) ensure that at least 75 percent of the amounts received under the agreement be distributed to area health education centers within the area served by the program, through a formal agreement; and*

*(B) use amounts provided under such agreement to supplement, not supplant, State funds provided for similar programs prior to the execution of the agreement.*

**[**(g)**]** *(h)* For the purposes of this section the term "area health education center program" means a program which is organized as provided in subsection (b) and under which the participating medial (M.D. and D.O.) schools and the area health education centers meet the requirements of subsections (c) and (d). The Secretary shall, by regulation, establish standards and criteria for the requirements of this section.

**[**(h)**]***(i)*(1) For the purpose of carrying out this section other than subsection (f), there are authorized to be appropriated $20,000,000 for the fiscal year ending September 30, 1978, $30,000,000, for the fiscal year ending September 30, 1979, $40,000,000 for the fiscal year ending September 30, 1980, $21,000,000 for the fiscal year ending September 30, 1982, $22,500,000 for the fiscal year ending September 30, 1983, $24,000,000 for the fiscal year ending September 30, 1984, $18,000,000 for the fiscal year ending September 30, 1986, $18,000,000 for the fiscal year ending September 30, 1987, $18,000,000 for the fiscal year ending September 30, 1988, $18,700,000 for the fiscal year 1989, and $20,000,000 for the fiscal years 1990 and 1991. The Secretary shall obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2).

(2) For the purpose of carrying out subsection (f), there are authorized to be appropriated $4,000,000 for fiscal year 1989, $8,000,000 for fiscal year 1990, and $12,000,000 for fiscal year 1991.

### *Subpart VII—Demonstration Programs*

### *SEC. 765. ESTABLISHMENT OF DIRECT STUDENT LOAN HEALTH DEMONSTRATION PROGRAM.*

*(a) ESTABLISHMENT.—The Secretary shall establish a direct student loan health demonstration program under which the Secretary will make assistance available to certain institutions who shall utilize such assistance to make direct loans to health professions students to assist such students in meeting the costs associated with attending such institutions.*

*(b) Authorization of Appropriations.—There are authorized to be appropriated to carry out this subpart $50,000,000 for the fiscal years 1992 through 1996. Amounts for making direct loans under this subpart shall be available only to the extent provided for in advance in appropriations Acts.*

*(c) Participating Institutions.—*

*(1) Selection.—The Secretary shall select not to exceed 20 eligible institutions to participate in the program established under this section. In making such selections, the Secretary shall, to the maximum extent practicable, ensure that a wide range of health professions institutions participate in such program, except that the Secretary may refuse to permit the participation of any institution that has a default rate under the program established subpart I that is in excess of 15 percent.*

*(2) Eligible institutions.—To be eligible for selection under paragraph (1), an institution shall—*

*(A) to be eligible to participate in the program established under subpart I;*

*(B) have annually accepted for enrollment not less than 20 student borrowers under such subpart;*

*(C) prepare and submit to the Secretary an application, at such time, in such form, and containing such information as the Secretary may require, including demonstrable evidence that the institution possesses the administrative capacity to implement the direct loan program either in-house or through the employment of an outside entity;*

*(D) agree to assume full liability, as assessed by the Secretary, for errors relating to the origination of loans or other administrative responsibilities of institutions under this title;*

*(E) agree to provide all information and maintain such records as required by the Secretary in order to assist in the evaluation of the program authorized under this section; and*

*(F) otherwise meet the requirements of this section.*

*(3) Requirements.—An institution participating in the program established under this section shall—*

*(A) be responsible for originating loans under the program, conducting interviews with borrowers prior to the origination of such loans, conducting exit interviews with borrowers (which shall include the provision of all pertinent documentation as required by the Secretary), and assisting collection agencies in locating and collecting repayments from borrowers who become delinquent;*

*(B) increase tuition and required fees at a rate that does not exceed 150 percent of the increase in the cost of living in the previous years;*

*(C) not later than 15 working days after a borrower is determined to have lost his or her status as a full-time student, proceed with in-house collection activities or forward the loan of the borrower to a collection agency selected by the Secretary.*

*(d) Borrowers.—*

*(1) Eligibility.—A student who has not previously obtained a loan under subpart I shall be eligible to participate in the program established under this section. The provisions of section 731 (except for subsection (a)(1)(B) and (b) of such section) shall apply to borrowers under this subpart.*

*(2) Ineligibility for heal loans.—A student that obtains a loan under the program established under this section shall be ineligible to obtain a loan under subpart I until the expiration of the program established under this subpart.*

*(3) Evaluation agreement.—A borrower under this section shall agree to participate in an evaluation of the program established under this section.*

*(4) Limitations.—The limitations described in section 729 shall apply to loans made under this subpart.*

*(e) Terms of Loans.—*

*(1) Promissory note.—A borrower under this section shall be required, at the origination of a loan, to sign a promissory note to the Federal Government promising to repay the loan under the terms and conditions disclosed to the borrower at such origination.*

*(2) Interest rates.—With respect to a loan made under this section, a borrower shall be assessed an interest rate on such loan that is equal to one percentage point above the average of the bond equivalent rates of the 91-day Treasury bills auctioned for the previous quarter. Such interest will accrue on such loan and will be compounded annually.*

*(3) Origination fee.—A borrower under this section shall pay a loan origination fee equal to 3 percent of the principal amount of the loan. The proceeds generated from such loan origination fees shall be remitted by the institution to the Secretary to assist in offsetting the costs of the administration of the program.*

*(4) Repayment.—Repayment on a loan made under this section shall be deferred for the for the period during which the borrower is a full-time student at the institution. Except as provided in paragraph (5), such repayment shall commence 90 days after the date on which the borrower is no longer a full-time student at such institution.*

*(5) Forbearance.—*

*(A) On demand.—A borrower may receive forbearance on a loan under this section on the demand of such borrower for a period of—*

*(i) not to exceed 5 years if such borrower is in an accredited postgraduate residency program;*

*(ii) not to exceed 1 year beginning on the date on which the borrower leaves the institution if such borrower is not completing a residency or practicing in a medically underserved community; or*

*(iii) not to exceed 5 years if such borrower is practicing in a medically underserved community.*

*(B) Payments.—During the period of forbearance under this paragraph, a borrower and an institution may agree on a partial payment schedule based on the income and debt burden of the borrow. In such case the interest shall contin-*

*ue to accrue on the loan and shall be added to the principal amount due on such loan annually. Notwithstanding the preceding sentences, a borrower shall not be required to make any payments of principal or interest on the loan during such forbearance period.*

*(6) CANCELLATION.—The obligation of a borrower to repay a loan under this section shall be canceled only in the case of the death, bankruptcy or total permanent disability of the borrower, whichever occurs later. In the case of bankruptcy, the provision of section 733(g) shall apply.*

*(f) COLLECTION AGENCIES.—*

*(1) REQUIREMENT.—In establishing the program under this section, the Secretary shall enter into contracts with not less than two collection agencies for the collection of repayments under loan made to borrowers under this section.*

*(2) SELECTION BY SECRETARY.—In entering into contracts under paragraph (1), the Secretary shall select collection agencies—*

*(A) with experience in Federal student loan collections, a comprehensive program of repayment options for borrowers, and modest costs; and*

*(B) that provide evidence of being able to work cooperatively with participating institutions.*

*(3) SELECTION BY INSTITUTION.—A participating institution under this section shall proceed with in-house collection activities or select an agency that is a party to a contract under paragraph (1) for the collection repayments on loans originated by the institution.*

*(4) REIMBURSEMENT.—A collection agency selected by an institution under paragraph (3) shall be reimbursed by the Secretary for collection activities in an amount that is based on the number of students served by such collection agency under this section. Such agencies shall agree to accept loans from any institution participating in the demonstration program under this section.*

*(g) SUSPENSION.—The Secretary may suspend the eligibility of any institution to participate in the program under this section if the Secretary determines that the institution is not successfully implementing the program.*

*(h) EVALUATION.—Not later than 1, 5, 10, and 15 years after the date of enactment of this section, the Secretary shall conduct an evaluation of the program established under this section to identify any problems in the program that need correction. The evaluation shall, among other things, assess the cost of the program to the Federal Government, the cost of the program to the borrower, the cost of the program to institutions, the default record of institutions in the program compared to institutions in the program under subpart I, administrative problems that arise from the program, and the impact of the program on the borrower's choice of specialization and residency or practice decisions.*

*(i) TERMINATION.—The authority to make loans under this section shall terminate 5 years after the date of enactment of this section.*

*(j) TERMS AND CONDITIONS.—Unless otherwise specified, all loans made under this subpart shall be subject to the same terms and conditions as loans made under subpart I.*

*(k)(1)(A) For purposes of carrying out this section other than subsection (f), there are authorized to be appropriated $40,000,000 in each of the fiscal years 1992 through 1996. Any amounts appropriated with respect to fiscal year 1992 or 1993 in excess of $19,200,000 and with respect to fiscal years 1994 through 1996 in excess of $18,700,000 shall be used to carry out the activities authorized under subsection (g). Not more than 10 percent of any amount appropriated in a fiscal year in excess of $21,000,000 shall be used to fund the activities authorized under subsection (g)(2).*

*(B) The Secretary may obligate not more than 20 percent of the amount appropriated under this paragraph in each fiscal year, or up to $4,000,000, whichever is less, for special area health education center initiatives under section (a)(2)(A).*

*(2) For purposes of carrying out subsection (f), there are authorized to be appropriated—*

*(A) $5,000,000 for fiscal year 1992;*
*(B) $6,000,000 for fiscal year 1993;*
*(C) $7,000,000 for fiscal year 1994;*
*(D) $8,000,000 for fiscal year 1995; and*
*(E) $9,000,000 for fiscal year 1996.*

*(l) An agreement entered into under subsection (g) after the date of enactment of this subsection shall require that the entity awarded such agreement make available (directly through cash donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than $1 for every $1 of Federal funds provided under the agreement in such year.*

### PROGRAMS OF EXCELLENCE IN HEALTH PROFESSIONS EDUCATION FOR MINORITIES

SEC. 782. (a) IN GENERAL.—The Secretary shall make grants, or enter into contracts with, to health profession schools described in subsection (c) for the purpose of assisting the schools in supporting programs of excellence in health professions education for minority individuals.

* * * * * * *

(c) * * *

(2) CENTERS OF EXCELLENCE AT CERTAIN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—

(A) The conditions specified in this subparagraph are that a health professions school—

(i) is a school described in section [701(4)] *701(2)*; and

* * * * * * *

(g) DEFINITIONS.—For purposes of this section:

(1)(A) The term "health professions school" means, except as provided in subparagraph (B), a school of medicine, [a school of dentistry, or a school of pharmacy.] *a school of osteopathic* *medicine, a school of dentistry, a school of pharmacy, a school of public health, or a graduate program in clinical psychology.*

* * * * * * *

(h) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants *or entering into contracts* under subsection (a), there are authorized to be appropriated [such sums as may be necessary for each of the fiscal years 1991 through 1993.] *$28,000,000 for each fiscal year 1992 through 1996.*

(2) ALLOCATIONS BY SECRETARY.—

(A) Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available the first $12,000,000 for grants *or contracts* under subsection (a) to health professions schools meeting the conditions specified in paragraph (2)(A) of subsection (c) (in addition to the conditions specified in paragraph (1)(B) of such subsection); and

(B) Of the amounts appropriated under paragraph (1) for a fiscal year in excess of $12,000,000, the Secretary shall make available the first [$2,500,000] *$5,000,000* for grants *or contracts* under subsection (a) to health professions schools meeting the conditions specified in paragraph (3) or (4) of subsection (c) (in addition to the conditions specified in paragraph (1)(B) of such subsection).

(3) ADDITIONAL PRIORITIES.—In making grants *or contracts* under subsection (a) for a fiscal year from such amounts as are available [for the grants] after compliance with paragraph (2), the Secretary shall give priority [to making grants] to health professions schools meeting the conditions specified in any of the paragraphs (3) through (5) of subsection (c) (in addition to the conditions specified in paragraph (1)(B) of such subsection).

### GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

SEC. 784. (a) The Secretary may make grants to enter into contracts with schools of medicine and osteopathic medicine, public or private nonprofit hospital, or any other public or private nonprofit entity to meet the costs of projects—

[(1) to plan, develop, and operate approved residency training programs in internal medicine or pediatrics, which emphasize the training of residents for the practice of general internal medicine or general pediatrics (as defined by the Secretary in regulations);

[(2) which provide financial assistance (in the form of traineeships and fellowships) to residents who are participants in any such program, and who plan to specialize or work in the practice of general internal medicine or general pediatrics;]

*(1) to plan, develop, and operate, or participate in, an approved professional training program (including an approved residency or internship program) in the field of internal medicine or pediatrics for allopathic and osteopathic medical students, interns, residents, or practicing physicians, that empha-*

*sizes training for the practice of general internal medicine or general pediatrics;*

*(2) to provide financial assistance (in the form of traineeships and fellowships) to allopathic and osteopathic students, interns, residents, practicing physicians, or other medical personnel, who are in need of such assistance, who are participants in any such program, and who plan to specialize or work in the practice of general internal medicine and general pediatrics;*

* * * * * * *

(c) For the purpose of carrying out this section, there are authorized to be appropriated [$10,000,000 for the fiscal year ending September 30, 1977, $15,000,000 for the fiscal year ending September 30, 1978, $20,000,000 for the fiscal year ending September 30, 1979, $25,000,000 for the fiscal year ending September 30, 1980, $17,000,000 for the fiscal year ending September 30, 1982, $18,000,000 for the fiscal year ending September 30, 1983, $20,000,000 for the fiscal year ending September 30, 1984, $18,500,000 for the fiscal year ending September 30, 1986, $19,500,000 for the fiscal year ending September 30, 1987, $22,000,000 for the fiscal year ending September 30, 1988, $23,000,000 for fiscal year 1989, $23,000,000 for fiscal year 1990, and $25,000,000 for fiscal year 1991.] *$35,000,000 for fiscal year 1992, $36,000,000 for fiscal year 1993, $37,000,000 for fiscal year 1994, $38,000,000 for fiscal year 1995, and $39,000,000 for fiscal year 1996.*

### SEC. 785. RESIDENCY PROGRAMS IN GENERAL PRACTICE OF DENTISTRY.

(a) In General.—The Secretary may make grants to, and enter into contracts with, any public or nonprofit private school of dentistry or accredited postgraduate dental training institution—

(1) to plan, develop and operate an approved residency program in the general practice of dentistry or an approved advanced educational program in the general practice of dentistry; [and]

(2) to provide financial assistance (in the form of traineeships and fellowships) to participants in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry[.]*; and*

*(3) to fund innovative, nontraditional models for the provision of postdoctoral General Dentistry training.*

(b) Authorization of Appropriations.—For the purpose of carrying out this section, there are authorized to be appropriated [$4,000,000 for fiscal year 1989, $6,000,000 for fiscal year 1990, and $8,000,000 for fiscal year 1991.] *$8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.*

### *SEC. 785A. TRAINING IN DENTAL PUBLIC HEALTH.*

*(a) In General.—The Secretary may award grants to and enter into contracts with schools of dentistry, schools of public health, accredited postgraduate dental training institutions, or State or local public health agencies to assist such entities in meeting the costs of projects—*

*(1) to plan, develop or participate in new residency programs and expand or improve existing residency programs in dental public health; and*

*(2) to provide financial assistance in the form of traineeships to dental residents or practicing dentists who participate in any program of the type described in paragraph (1) and who plan to work in the field of public health.*

*(b) ELIGIBILITY.—To be eligible to receive a grant or contract under subsection (a), an entity of the type described in such subsection shall—*

*(1) prepare and submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require; and*

*(2) demonstrate to the Secretary that such entity has available full-time faculty or staff with training and experience in the field of public health, preventive dentistry or community dentistry and other related specialties or disciplines.*

*(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,000,000 for each of the fiscal years 1992 through 1996.*

### FAMILY MEDICINE

SEC. 786. (a) * * *

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(b) In making grants and entering into contracts under subsection (a), the Secretary shall give [priority] *preference* to applicants that demonstrate to the satisfaction of the Secretary a commitment to family medicine *and who demonstrate a substantial linkage to one or more medically underserved or rural communities (as defined in section 711(c))* in their medical education training programs.

(c) For the purpose of carrying out this section, there are authorized to be appropriated [$37,900,000 for fiscal year 1989, $40,000,000 for fiscal year 1990, and $40,000,000 for fiscal year 1991.] *$50,000,000 for fiscal year 1992, $51,000,000 for fiscal year 1993, $52,000,000 for fiscal year 1994, $53,00,000 for fiscal year 1995, and $54,000,000 for fiscal year 1996.*

*(d) Notwithstanding any other provision of law, after October 1, 1993, only those schools or hospitals with departments or divisions or approved residencies providing clinical instruction in family medicine shall be eligible to receive assistance under this section.*

**SEC. 786A. PHYSICIAN ASSISTANT PROGRAMS.**

[(d) PROGRAMS FOR PHYSICIAN ASSISTANTS.—] *(a) GRANTS AND CONTRACTS.—*

(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathic medicine and other public or nonprofit private entities to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section [701(8)] *701(5)*).

(2) APPLICATIONS.—No grant or contract may be made under paragraph (1) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that the

school or entity receiving the grant or contract has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted in positions for which they have been trained.

*(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994; $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.*

* * * * * * *

### EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

SEC. 787. (a)(1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, and podiatric medicine, public and nonprofit private schools which offer graduate programs in clinical psychology, *or clinical social work* and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

* * * * * * *

(b)(1) Schools of medicine, osteopathic medicine, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, **[**podiatry**]** *podiatric medicine,* and public and nonprofit schools that offer graduate programs in clinical psychology *or clinical social work* that receive a grant under subsection (a) shall, during a period of 3 years commencing on the date of the award of the grant, increase their first year enrollments of individuals from disadvantaged backgrounds by at least 20 percent over enrollments in the base year 1987.

(2) The Secretary shall give **[**priority**]** *preference* for funding, in years subsequent to the expiration of the 3-year period described in paragraph (1)—

(A) to schools that attain such increase in their first year enrollment by the end of such 3-year period, **[**and**]**

**[**(B) to schools that attain a 20 percent increase over such base year enrollment.**]**

*(B) to schools that—*

*(i) maintain an enrollment of individuals from disadvantaged backgrounds at a level that exceeds 200 percent of the national average of such individuals enrolled in such schools;*

*(ii) secure financial support from non-Federal sources in amounts that increase annually; and*

*(iii) involve or consult with appropriate State and local health and educational agencies and entities in the planning and conduct of the project.*

* * * * * * *

(c) The are authorized to be appropriated for grants and contracts under subsection (a)(1), [$20,000,000 for the fiscal year ending September 30, 1982, $21,500,000 for the fiscal year ending September 30, 1983, $23,000,000 for the fiscal year ending September 30, 1984, $26,000,000 for the fiscal year ending September 30, 1986, $28,000,000 for the fiscal year ending September 30, 1987, $30,000,000 for the fiscal year ending September 30, 1988, $31,200,000 for fiscal year 1989, $34,000,000 for fiscal year 1990, and $36,000,000 for fiscal year 1991.] *$36,000,000 for fiscal year 1992, $37,000,000 for fiscal year 1993, $38,000,000 for fiscal year 1994, $39,000,000 for fiscal year 1995, and $40,000,000 for fiscal year 1996.* Of the amounts appropriated under this section for any fiscal year, 10 percent shall be obligated for community-based programs and 70 percent shall be obligated for grants or contracts to institutions of higher education and not more that 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers. [Of the funds appropriated under this section for any fiscal year, 20 percent shall be obligated for stipends under subsection (a)(2)(F) to individuals of exceptional financial need (as defined by regulations promulgated by the Secretary under section 758) who are students at schools of medicine, osteopathic medicine, or dentistry. Such stipends shall be administered and awarded in the same manner and subject to the same regulations as scholarships under section 758.]

*(d) Notwithstanding any other provision of law relating to a limitation on the amount of stipends that may be paid under this section, the Secretary may provide for the payment of stipends under this section in an amount not to exceed $40 per day.*

### SEC. 787A. RETENTION PROGRAM FOR HEALTH PROFESSIONS SCHOOLS WITH INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

(a) ESTABLISHMENT.—The Secretary shall establish a supplemental grant program to award grants to schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry [podiatry] *podiatric medicine*, pharmacy, or public health that demonstrate sufficient graduation of students from disadvantaged backgrounds.

* * * * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $2,000,000 in each of the fiscal years 1990 [and 1991] *through 1996.*

### *SEC. 787B. MINORITY FACULTY DEVELOPMENT TRAINING FELLOWSHIPS.*

*(a) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatric medicine, pharmacy, public health, health administration, clinical psychology, and other public or private nonprofit health or educational entities of the type described in section 701, to assist such schools in increasing the number of underrepresented minority faculty members at such schools.*

*(b) APPLICATIONS.—To be eligible to receive a grant or contract under this section a school shall prepare and submit to the Secre-*

*tary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that amounts received under such a grant or contract will be used to award a fellowship to a new member of the faculty of such school who meets the requirements of subsections (c) and (d), that shall include a stipend in an amount that does not exceed 50 decent of the regular salary of a similar faculty member position up to a maximum of $30,000.*

*(c) Eligibility.—To be eligible to receive a grant or contract under subsection (a), an applicant shall demonstrate to the Secretary that such applicant has or will have the ability to—*

*(1) identify, recruit and select individuals from under represented minorities in health professions who have the potential for teaching, administration, or conducting research at a health professions institution;*

*(2) provide such individuals with the skills necessary to enable them to secure a tenured faculty position at such institution, which may include training with respect to pedagogical skills, program administration, the design and conduct of research, grants writing, and the preparation of articles suitable for publication in peer reviewed journals;*

*(3) provide mentoring or other services designed to assist such minorities in their preparation for an academic career; and*

*(4) provide health services to rural or medically undeserved populations.*

*(d) Requirements.—To be eligible to receive a grant or contract under this section an applicant shall—*

*(1) provide an assurance that such applicant will make available (directly through cash donations) $1 for every $1 of Federal funds received under this section for the fellowship;*

*(2) provide an assurance that institutional support will be provided for the individual for a second year at a level that is not less than the total amount of Federal and institutional funds provided in the year in which the grant or contract was awarded;*

*(3) provide an assurance that the individual that will receive the fellowship will be a member of the faculty of the applicant school; and*

*(4) provide an assurance that the individual that will receive the fellowship will have, at a minimum, appropriate advanced preparation (such as a master's or doctoral degree) and special skills necessary to enable such individual to teach and practice.*

*(e) Definition.—As used in this section, the term "minority" means an individual from a racial or ethnic group that is underrepresented in the health professions.*

*(f) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $2,000,000 in each of the fiscal years 1992 through 1996.*

**SEC. 788. SPECIAL PROJECTS.**

[(a) Two-Year Schools.—

[(1) In general.—The Secretary may make grants to maintain and improve schools that provide the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools that were in existence on September 30, 1985, may be used for construction and the purchase of equipment.

[(2) ELIGIBILITY.—To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy and be accredited by or be operated jointly with a school that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.]

*(a) GRANTS FOR STUDIES AND DEMONSTRATIONS.—The Secretary may award grants to and enter into contracts with public or nonprofit private entities to enable such entities to conduct studies and demonstration projects related to—*

*(1) the improvement of health professions education, including studies and projects to determine—*

*(A) the effectiveness of various methods of training health professionals (including nurses) to practice in primary care specialties or to provide services to underserved populations;*

*(B) the merits of major curricular innovations (such as the increased integration of undergraduate and graduate medical education and various approaches to interdisciplinary training programs);*

*(C) the effect of Medicare graduate medical education funding and medical research grant funding on medical schools and residency programs, particularly as such funding may affect institutional support for primary care training and student choices regarding medical specialty and location of practice;*

*(D) the effectiveness of education targeted toward meeting the needs of particular population groups (such as the elderly, women, children, adolescents, the disabled, individuals residing in rural areas);*

*(E) the impact of student indebtedness on specialty choice and practice location; and*

*(F) the impact of underrepresented minority and disadvantaged health professions programs in minority and majority schools on recruitment, retention, and practice choices of underrepresented minority and disadvantaged health personnel;*

*(2) the assurance of the competency of health personnel, including studies and projects to determine—*

*(A) the effect on quality and service of adopting alternative approaches to the licensure and credentialing of health personnel;*

*(B) the efficacy of different approaches to providing for continuing competency of such personnel;*

*(C) the effectiveness and variation of State licensing authorities in identifying problem providers and undertaking disciplinary actions;*

*(D) the usefulness of various types of certification programs in assuring the quality of health personnel; and*

*(E) the appropriate differentiation of functions of various types and levels of health professions personnel.*

[(b) Faculty and Curriculum Development and Clinical Training Sites.—

[(1) Grants and contracts.—

[(A) In general.—The Secretary may make grants to and enter into contracts with any health professions institution or any other public or private nonprofit entity for the development and implementation of model projects in areas such as faculty and curriculum development, and development of new clinical training sites.

[(B) Allocation of funds.—Priority shall be given to schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, pharmacy, podiatry, public health, chiropractic, allied health, and to graduate programs at public and nonprofit private schools in health administration and clinical psychology in the allocation of funds under this subsection. Funds shall be allocated to each profession for award within that profession on the basis of competitive applications. Investigator-initiated projects should be encouraged. Funding priorities may be determined by the Secretary on consultation with the health professions schools and the National Advisory Council on the Health Professions Education.

[(C) Peer review.—Any application for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts. The Secretary may not approve an application unless a peer review group has recommended it for approval.

[(2) Health professions institutions and allied health institutions.—

[(A) Set-aside.—At least 75 percent of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (e) shall be obligated for grants to and contracts with health professions institutions and allied health institutions.

[(B) Peer review.—Any applications for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

[(C) Prerequisites.—The Secretary may not approve or disapprove an application for a grant to an institution described in subparagraph (A) unless the appropriate peer review group required under subparagraph (B) has recommended such approval and the Secretary has consulted with the National Advisory Council on Health Professions Education with respect to such application.]

*(b) Chiropractic Training and Demonstration Project.—*

*(1) In general.—The Secretary may make grants to and enter into contracts with, colleges and universities of chiropractic to assist such colleges and universities in—*

*(A) meeting the costs of projects designed—*

*(i) to plan, develop, establish, expand and operate advanced degree programs or postdoctoral programs in chiropractic for the advanced specialty training of chiropractic health care professionals who plan to teach and conduct research in chiropractic;*

*(ii) to support interdisciplinary training programs that promote the effectiveness of chiropractic in prevention, diagnosis and treatment of chronic lower back, musculoskeletal, and spinal problems;*

*(iii) to develop innovative models to link chiropractic, chiropractic education and chiropractic research;*

*(iv) to identify, recruit and train individuals from disadvantaged backgrounds;*

*(v) to improve and strengthen the curriculum of such colleges or universities by including or expanding the knowledge and practice concerning disease prevention and health promotion; or*

*(vi) to develop new and innovative methods to train chiropractors to provide services in rural and medically underserved areas; or*

*(B) establishing a demonstration project to develop the collaboration of a college or university of chiropractic and a traditional health professions academic institution training program, including medical schools.*

*The demonstration project referred to in subparagraph (B) shall address the manner in which to effectively integrate chiropractic into the traditional health care provide systems and medical education programs, with particular emphasis on the reduction of health care costs for lower and spinal-related back problems.*

*(2) Methods.—A recipient of funds under paragraph (1) may use various methods in carrying out the projects described in subparagraphs (A) and (B) of such paragraph, including—*

*(A) the distribution of stipends to students and faculty of eligible applicants;*

*(B) the establishment of a post-doctoral fellowship program;*

*(C) the training of faculty in preparation for graduate and post-doctoral education and training activities; and*

*(D) the purchase of equipment and training materials where the need for such equipment due to unique characteristics of the project is demonstrated by the recipient.*

*(3) Administration.—An applicant for a grant or contract under this subsection shall not use in excess of five percent of the funds made available to such applicant under this subsection for administrative expenses and not more than five percent of such funds for indirect costs.*

*(4) Eligible applicants.—To be eligible to receive funds under paragraph (1)(A), an applicant for a grant or contract shall be an accredited college or university of chiropractic. Such eligible applicants shall not include for-profit entities, either directly or through a subcontract or subgrant. Applications for a grant or contract under paragraph (1)(B) shall be jointly submitted by a college or university of chiropractic and by one or more of the following:*

*(A) State or local health departments;*

*(B) public and nonprofit colleges, universities, schools of allopathic or osteopathic medicine; or*

*(C) public or nonprofit hospitals.*

*(5) Peer review.—*

*(A) In general.—Each applicant for a grant or contract under this subsection shall be submitted to a peer review group for an evaluation of the merits of the proposals contained in the application.*

*(B) Establishment.—The Secretary shall establish such peer review groups as may be necessary to carry out subparagraph (A). The Secretary shall make appointments of individuals to the peer review group from among appropriately qualified individuals who are not officers or employees of the United States. The peer review group shall consist of not more than six members, at least three of which shall be chiropractors. Of such chiropractor members—*

*(i) one shall represent the Consortium for Chiropractic Research;*

*(ii) one shall represent a college or university of chiropractic; and*

*(iii) one shall be a practicing chiropractor.*

*(6) Expediting award of grants/contracts.—The Secretary shall expedite the awarding of grants or contracts to eligible applicants under this subsection. to the maximum extent practicable, such grants or contracts shall be awarded by the Secretary not later than 120 days after the date of the receipt of the final recommendation of the peer review group established under paragraph (5) concerning applications submitted under this subsection.*

*(7) Report.—Not later than April 1, 1995, the Secretary shall prepare and submit to the Committee on Labor and Human Resources and the Subcommittee on Labor, Health, and Human Services, Education and Related Agencies of the Committee on Appropriations of the Senate and the Committee on Energy and Commerce and the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the Committee on Appropriations of the House of Representatives, a comprehensive report summarizing the applications that were submitted and the grants and contracts that were awarded under this subsection, and the effectiveness of programs established using such grants or contracts.*

**[**(e)**]** *(c)* Certain Projects With Respect to Hospitals and Schools of Podiatric Medicine.—The Secretary may make grants to, and enter into contracts with, public and nonprofit private hospitals and schools of podiatric medicine for the purpose of planning and implementing projects in primary care training for podiatric physicians in approved or provisionally approved residency programs which shall provide financial assistance in the form of traineeships to residents who participate in such projects and who plan to specialize in primary care.

**[**(f) Authorizations.—(1)(A) For the purpose of carrying out subsections (a), (b), and (e), there are authorized to be appropriated

$2,400,000 for fiscal year 1989, $4,000,000 for fiscal year 1990, and $4,000,000 for fiscal year 1991.

[(B) Of the amounts appropriated pursuant to subparagraph (A) for each of the fiscal years 1989 through 1991, the Secretary shall make available 20 percent of such amounts to carry out subsection (a) and 25 percent of such amounts to carry out subsection (e).

[(2)(A) For the purpose of carrying out subsection (c), there are authorized to be appropriated $1,500,000 for fiscal year 1989, $2,500,000 for fiscal year 1990, and $4,000,000 for fiscal year 1991.

[(B) For the purpose of carrying out subsection (d), there are authorized to be appropriated $4,500,000 for fiscal year 1989, $5,200,000 for fiscal year 1990, and $5,400,000 for fiscal year 1991.]

*(d) AUTHORIZATION OF APPROPRIATIONS.—*

*(1) SUBSECTION (a).—There are authorized to be appropriated to carry out subsection (a), $5,000,000 for each of the fiscal years 1992 through 1996.*

*(2) SUBSECTION (b)(1).—*

*(A) SUBPARAGRAPH (A).—There are authorized to be appropriated to carry out subsection (b)(1)(A), $1,000,000 for each of the fiscal years 1992 through 1996.*

*(B) SUBPARAGRAPH (B).—There are authorized to be appropriated to carry out subsection (b)(1)(B), $500,000 for each of the fiscal years 1992 through 1994*

*(3) SUBSECTION (c).—There are authorized to be appropriated to carry out subsection (c), $1,000,000 for each of the fiscal years 1992 through 1996.*

* * * * * * *

### SEC. 788A. TRAINING WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME.

(a) GRANTS.—The Secretary may make grants and enter into contracts to assist schools and academic health science centers *and other public or private nonprofit health or educational entities* in meeting the costs of projects—

[(1) to train the faculty of schools and graduate departments of medicine, nursing, osteopathic medicine, dentistry, public health, psychology, and allied health to teach health professions students to provide for the health care needs of individuals with acquired immune deficiency syndrome;

[(2) with respect to improving clinical skills in the diagnosis, treatment, and prevention of such syndrome, to educate and train the health professionals and clinical staff of schools of medicine, osteopathic medicine, and dentistry; and

[(3) to develop and disseminate curricula relating to the care and treatment of individuals with acquired immune deficiency syndrome.]

*(1) to train health professions faculty to teach health professions practitioners and students to provide for the health care needs of individuals infected with the human immunodeficiency virus and individuals who are at high risk of contracting such infection;*

*(2) with respect to improving skills in the diagnosis, treatment, and prevention of such infection, to educate and train health professions practitioners and students; and*

*(3) to develop and disseminate health professions curricula and related resource materials relating to the care and treatment of individuals infected with the human immunodeficiency virus and to the prevention of such infection in individuals who are at high risk of contracting such virus.*

(b) PREFERENCE.—In making grants under subsection (a), the Secretary shall give preference to projects which will—

(1) train, or result in the training of, health professionals who will provide [treatment for minority individuals with acquired immune deficiency syndrome] *health care to minority individuals who are infected with the human immunodeficiency virus* and other individuals who are at high risk of contracting such syndrome; and

(2) train, or result in the training of, minority health professionals and minority allied health professionals to provide [treatment for individuals with acquired immune deficiency syndrome] *health care to individuals who are infected with the human immunodeficiency virus and other individuals who are at high risk of contracting such infection.*

* * * * * * *

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under subsection (a) [such sums as may be necessary for each of the fiscal years 1989 through 1991.] *$21,000,000 for fiscal year 1992, $23,000,000 for fiscal year 1993, $25,000,000 for fiscal year 1994, $27,000,000 for fiscal year 1995, and $29,000,000 for fiscal year 1996.*

(f) DENTAL SCHOOLS.—

(1) * * *

* * * * * * *

(5) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subsection, there is authorized to be appropriated [such sums as may be necessary in fiscal year 1990 and fiscal year 1991.] *$6,000,000 for fiscal year 1992, $8,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $12,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.*

### SEC. 789. GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING.

(a) GERIATRIC EDUCATION CENTERS.—

(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with accredited health professions schools, including schools of allied health referred to in section [701(4) or 701(10) and programs referred to in section 701(8)] *701(2) or 701(6), programs referred to in section 701(5) and schools referred to in section 853* to assist in meeting the costs of such schools or programs of providing projects to—

* * * * * * *

(b) GERIATRIC TRAINING.—

(1) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, schools of medicine, schools of osteopathic medicine, teaching hospitals, and graduate medical education programs, for the purpose of providing support (including residencies, traineeships, and fellowships) for geriatric

training projects to train physicians and dentists who plan to teach geriatric medicine, *geriatric psychiatry* or geriatric dentistry.

(2) Requirements.—Each project for which a grant or contract is made under this subection shall—

(A) be staffed by full-time teaching physicians who have experience or training in geriatric medicine *or geriatric psychiatry*;

(B) be staffed, or enter into an agreement with an institution staffed by full-time or part-time teaching dentists who have experience or training in geriatric dentistry;

(C) be based in a graduate medical education program in internal medicine or family medicine, or in a department of geriatrics *or in a department of geriatric psychiatry* in existence as of December 1, 1987;

* * * * * * *

(3) Training options.—The training options referred to in subparagraph (F) of paragraph (2) shall be as follows:

(A) * * *

* * * * * * *

(B) A [1-year or] 2-year internal medicine or family medicine fellowship program providing emphasis in geriatrics, which shall be designed to provide training in clinical geriatrics and geriatrics research for—

* * * * * * *

[(ii) dentists who have completed post-doctoral dental education programs.]

*(ii) dentists who have demonstrated a commitment to an academic career and who have completed postdoctoral dental training, including postdoctoral dental education programs or who have relevant advanced training or experience.*

* * * * * * *

[(c) Authorization of Appropriations.—

[(1) Geriatric education centers.—For grants and contracts under subsection (a), there are authorized to be appropriated $7,000,000 for fiscal year 1989, $10,000,000 for fiscal year 1990, and $13,000,000 for fiscal year 1991.

[(2) Geriatric training.—For grants and contracts under subsection (b), there are authorized to be appropriated $7,000,000 for fiscal year 1989, $10,000,000 for fiscal year 1990, and $13,000,000 for fiscal year 1991.]

*(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $26,000,000 for each of the fiscal years 1992 through 1996.*

GENERAL PROVISIONS

Sec. 790. * * *

* * * * * * *

(5)(A) Each application for a grant under any of sections 784 through 786 shall be submitted to a peer review group for an evaluation of the merits of the proposals made in the [evaluation] *application.* Each application for a grant under section 780 may be submitted to such peer review group for such an evaluation.

* * * * * * *

## PART G—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

### Subpart I—Public Health Personnel

### GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

SEC. 791. (a) * * *

* * * * * * *

(d) There are authorized to be appropriated for payments under grants under this section [$3,250,000 for the fiscal year ending September 30, 1978, $3,500,00 for the fiscal year ending September 30, 1979, $3,750,000 for the fiscal year ending September 30, 1980, $1,500,000 for the fiscal year ending September 30, 1982, $1,750,000 for the fiscal year ending September 30, 1983, $2,000,000 for the fiscal year ending September 30, 1984, $1,500,000 for the fiscal year ending September 30, 1986, $1,500,000 for the fiscal year ending September 30, 1987, $1,500,000 for the fiscal year ending September 30, 1986, $1,420,000 for fiscal year 1989, $1,600,000 for fiscal year 1990, and $1,700,000 for fiscal 1991.] *$1,700,000 for each of the fiscal years 1992 through 1996.*

### TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS

SEC. 791A. (a) * * *

* * * * * * *

(c) For payments under grants under subsection (a), there are authorized to be appropriated [$2,500,000 for the fiscal year ending September 30, 1978; $2,500,000 for the fiscal year ending September 30, 1979; $2,500,000 for the fiscal year ending September 30,1980; $500,000 for the fiscal year ending September 30, 1982 and the next two fiscal years; $500,000 for the fiscal ending September 30, 1986, and each of the next two fiscal years; and $500,000 for each of the fiscal years 1989 through 1991.] *$1,000,000 for each of the fiscal years 1992 through 1996.*

### PUBLIC HEALTH TRAINEESHIPS

SEC. 792. [(a) The Secretary may make grants to—

[(1) accredited schools of public health, and

[(2) other public or nonprofit institutions which provide graduate or specified training in public health and which are not eligible to receive a grant under section 791A,

to provide traineeships.]

*(a)(1) The Secretary may make grants to—*

*(A) accredited schools of public health; and*

*(B) other public or nonprofit private institutions that provide graduate or specialized training in public health and that are not eligible to receive a grant under section 791A;*

*to provide traineeships to increase the number of graduate students preparing to serve the Healthy People 2000: National Health Promotion and Disease Prevention Objectives.*

*(2) Traineeships under paragraph (1) shall be awarded primarily to—*

*(A) minority and disadvantaged students;*

*(B) physicians, scientists and engineers who are determined by the Secretary to be in short supply in the public health field;*

*(C) students in other areas of severe personnel shortage such as epidemiology and preventive medicine; and*

*(D) students committed to service that involves severe health problems that are targeted in the Healthy People 2000: National Health Promotion and Disease Prevention Objectives, including AIDS prevention and control, maternal and child health, drug abuse, infant mortality, injury prevention and control, environmental protection and chemical hazards, including toxic wastes, chronic disease prevention and control, health problems in minority populations, health problems of the elderly, migrants and immigrants, and specific health promotion programs in underserved areas.*

(b)(1) * * *

* * * * * * *

**[**(2) Traineeships awarded under grants made under subsection (a) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

**[**(3) In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least the percent specified in paragraph (4) of the funds received under this section shall go to individuals who—

**[**(A)(i) have previously received a baccalaureate degree, or

**[**(ii) have three years of work experience in health services; and

**[**(B) are pursuing a course of study in—

**[**(i) biostatistics or epidemiology,

**[**(ii) health administration, health planning, or health policy analysis and planning,

**[**(iii) environmental or occupational health,

**[**(iv) dietetics and nutrition, or

**[**(v) preventive medicine or dentistry, or

**[**(vi) maternal and child health.

**[**(4) The percent referred to in paragraph (3) is—

**[**(A) 45 percent for grants made for the fiscal year ending September 30, 1978,

**[**(B) 55 percent for grants made for the fiscal year ending September 30, 1979, and

**[**(C) 65 percent for grants made for the fiscal year ending September 30, 1980, and in succeeding fiscal years.**]**

*(2) When considering applications submitted for grants under this section, the Secretary shall give preference to—*

*(A) projects that provide for increased involvement of State and local governments in the planning and support of training initiatives to help mobilize State and local financial support for needed activities as well as to enhance the responsiveness of educational and training programs to State, local and regional health personnel needs; and*

*(B) projects that can demonstrate effectiveness in meeting priority health care needs of underserved populations, especially public health, environmental health and allied health training.*

(c) For payments under grants under subsection (a), there are authorized to be appropriated [$7,500,000 for the fiscal year ending September 30, 1978; $9,000,000 for the fiscal year ending September 30, 1979; $10,000,000 for the fiscal year ending September 30, 1980; $3,000,000 for the fiscal year ending September 30, 1982; $3,500,000 for the fiscal year ending September 30, 1983; $4,000,000 for the fiscal year ending September 30, 1984; $3,000,000 for the fiscal year ending September 30, 1986; $3,075,000 for the fiscal year ending September 30, 1987; $3,150,000 for the fiscal year ending September 30, 1988; $4,100,000 for fiscal year 1989; $4,200,000 for fiscal year 1990; and $4,300,000 for fiscal year 1991.] *$10,000,000 for fiscal year 1992; $11,000,000 for fiscal year 1993, $12,000,000 for fiscal year 1994, $13,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.*

### [TRAINING IN PREVENTIVE MEDICINE

[SEC. 793. (a) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, and public health to meet the costs of projects—

[(1) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

[(2) to provide financial assistance to residency trainees enrolled in such programs.

[(b)(1) The amount of any grant under subsection (a) shall be determined by the Secretary. No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

[(2) To be eligible for a grant under subsection (a), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

[(c) For the purpose of grants under subsection (a), there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1982, and $1,500,000 for the fiscal year ending September 30, 1983, $2,000,000 for the fiscal year ending September 30, 1984, $1,600,000 for fiscal year ending September 30, 1986, $1,600,000 for fiscal year ending September 30, 1987, and $1,600,000 for fiscal year ending September 30, 1988.]

**SEC. 793. TRAINING IN PREVENTIVE MEDICINE.**

[(c) TRAINING IN PREVENTIVE MEDICINE.—] *(a) TRAINING GRANTS AND CONTRACTS.—*

(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathic medicine, and public health to meet the costs of projects—

(A) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

(B) to provide financial assistance to residency trainees enrolled in such programs.

(2) ADMINISTRATION.—

(A) AMOUNT.—The amount of any grant under paragraph (1) shall be determined by the Secretary.

(B) APPLICATION.—No grant may be made under paragraph (1) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

(C) ELIGIBILITY.—To be eligible for a grant under paragraph (1), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

(D) OTHER FUNDS.—Schools of medicine, osteopathic medicine, and public health may use funds committed by State, local, or county public health officers as matching amounts for Federal grant funds for residency training programs in preventive medicine.

*(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $6,000,000 in fiscal year 1992, $7,000,000 in fiscal year 1993, $8,000,000 in fiscal year 1994, $9,000,000 in fiscal year 1995, and $10,000,000 in fiscal year 1996.*

**SEC. [790A.] *794.* SPECIAL PROJECTS.**

(a) GRANTS.—The Secretary may make grants to, and enter into contracts with, [schools of public health for the costs of planning, developing, demonstrating, operating, and evaluating projects] *accredited schools of public health for the costs of planning, developing, demonstrating, operating, and evaluating projects to accomplish the Healthy People 2000: National Health Promotion and Disease Prevetion Objectives, including projects—*

(1) * * *

* * * * * * *

(4) to improve access [and quality in health care.] *to preventive services and quality in health care;*

*which shall provide graduate students with comprehensive knowledge and skills, recruit candidates for graduate education in preparation for public service in specialties that are in short supply, strengthen existing departments of instruction to cope with specific and especially servere health problems, strengthen continuing educa-*

*tion and non-degree teaching programs, and establish firm links with governmental and private health agencies and institutions as sites for field practice training.*

* * * * * * *

(d) Authorization of Appropriations.—For the purpose of carrying out subsection (a), there are authorized to be appropriated [$1,500,000 for fiscal year 1989, $3,500,000 for fiscal year 1990, and $5,000,000 for fiscal year 1991.] *$10,000,000 for fiscal year 1992, $11,000,000 for fiscal year 1993, $12,000,000 for fiscal year 1994, $13,000,000 for fiscal year 1995, and $14,000,000 for fiscal year 1996.*

* * * * * * *

### [PROJECT GRANTS AND CONTRACTS

[Sec. 796. (a) The Secretary may make grants to and enter into contracts with eligible entities to assist them in meeting the costs of planning, developing, establishing, operating, and evaluating projects relating to:

[(1) Improving and strengthening the effectiveness of allied health administration, program directors, faculty, and clinical faculty.

[(2) Improving and expanding program enrollments in those professions in greatest demand and whose services are most needed by the elderly.

[(3) Interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly.

[(4) Demonstration centers to emphasize innovative models to link allied health clinical practice, education, and research.

[(5) Adding and strengthening curriculum units in allied health programs to include knowledge and practice concerning prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics.

[(6) The recruitment of individuals into allied health professions, including projects for—

[(A) the identification and recruitment of highly qualified individuals, including the provision of educational and work experiences for recruits at the secondary and collegiate levels;

[(B) the identification and recruitment of minority and disadvantaged students, including the provision of remedial and tutorial services prior and subsequent to admission, the provision of work-study programs for secondary students, and recruitment activities directed toward primary school students; and

[(C) the coordination and improvement of recruitment efforts among official and voluntary agencies and institutions, including official departments of education, at the city, county, and State, or regional level.

[(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefore has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall be regulation prescribe.

**[**(2) The amount of any grant under subsection (a) shall be determined by the Secretary.

**[**(c) For purposes of subsection (a), the term "eligible entities" means entities which are—

> **[**(1) schools, universities, or other educational entities which provide for allied health personnel education and training and which meet such standards as the Secretary may by regulation prescribe; or
>
> **[**(2) other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsection (a).

**[**(d) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $2,000,000 for each of the fiscal years 1990 and 1991.**]**

### *SEC. 796. PROJECT GRANTS AND CONTRACTS.*

*(a) Projects Related to Allied Health Professions with Personnel Shortages.—The Secretary may award grants to and enter into contracts with eligible entities to assist such entities in meeting the costs associated with increasing program enrollments or establishing programs that will increase the number of individuals in those allied health professions with demonstrated personnel shortage (including occupational therapy, physical therapy, respiratory therapy, clinical laboratory personnel and dental hygienists) to provide individuals to serve in a medically underserved or rural communities (as defined in section 711(c)). Programs and activities funded under this section may include—*

> *(1) the expansion of program enrollments in those professions with the greatest shortages and whose services are most needed by the elderly;*
>
> *(2) projects to provide rapid transition training programs in allied health fields to individuals who have baccalaureate degrees in health-related sciences;*
>
> *(3) the establishment of innovative outreach programs that link academic resources with rural clinical settings to establish community-based allied health training programs;*
>
> *(4) the development of interdisciplinary training programs that promote formal education and professional certification of allied health professionals in more than one discipline;*
>
> *(5) projects that provide career advancement training for practicing allied health professionals; and*
>
> *(6) projects that by expanding or establishing clinical training sites for allied health professionals in medically underserved or rural communities will increase the number of individuals so trained.*

*(b) Strengthening Allied Health Professions.—The Secretary may award grants to and enter into contracts with eligible entities to assist such entities in meeting the costs associated with the planning, development, establishment and operation of projects relating to—*

> *(1) the development of a curriculum that will emphasize knowledge and practice concerning prevention and health pro-*

*motion, geriatrics, long-term care, home health and hospice care, and ethics;*

*(2) the expansion or establishment of interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly;*

*(3) the expansion or establishment of demonstration centers to emphasize innovative models to link allied health clinical practice, education, and research; and*

*(4) the improvement and strengthening of the effectiveness of allied health administration, program directors, faculty, and clinical faculty.*

*(c) Training Centers for Allied Health Professions.—*

*(1) Grants and contracts.—The Secretary may award grants to and enter into contracts with training centers for allied health professions to assist such centers in meeting the costs associated with projects designed to provide financial assistance in the form of traineeships to students—*

*(A) pursuing a career in the allied health fields that have demonstrated personnel shortages; and*

*(B) who agree upon completion of their training program to practice in a medically underserved or rural community (as defined in section 711(c)).*

*(2) Use of funds.—Amounts provided under grants and contracts awarded under paragraph (1) shall be utilized to assist in the payment of the costs associated with tuition, fees and such other stipends as the Secretary may consider necessary.*

*(d) Application.—*

*(1) Requirement.—No grant may be awarded or contract entered into under subsections (a), (b), or (c) unless an application therefore has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.*

*(2) Preference.—In considering an application submitted for a grant under this section, the Secretary shall give preference to applicants that plan to increase their first-year enrollments by not less than 10 percent over the number of such enrollments in 1991.*

*(3) Amount.—The amount of any grant awarded under subsections (a), (b), or (c) shall be determined by the Secretary.*

*(e) Eligible Entities.—For purposes of this section, the term "eligible entities" means entities that are—*

*(1) public or private nonprofit schools, universities, or other educational entities that provide for allied health personnel education and training and that meet such standards as the Secretary may by regulation prescribe; or*

*(2) public or nonprofit entities capable, as determined by the Secretary, of carrying out projects described in subsections (a), (b), and (c).*

*(f) Authorization of Appropriation.—*

*(1) In general.—For the purpose of carrying out activities under this section, there are authorized to be appropriated $8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993,*

*$10,000,000 for fiscal year 1994, $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.*

*(2) AVAILABILITY OF AMOUNTS.—Of the amounts appropriated pursuant to paragraph (1) for each fiscal year, the Secretary shall make available not less than 70 percent of such amounts in each such fiscal year to carry out subsection (a), not more than 10 percent of such amounts in each such fiscal year to carry out subsection (b), and not less than 20 percent of such amounts in each such fiscal year to carry out subsection (c).*

### [SEC. 797. TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.

[(a) GRANTS.—The Secretary may make grants to and enter into contracts with training centers for allied health professions to meet the costs of projects designed to—

[(1) plan, develop, establish, expand, and operate doctoral programs for the advanced speciality training of allied health professionals who plan to teach and conduct research in an allied health training program; and

[(2) provide financial assistance in the form of traineeships or fellowships to doctoral students who are participants in any such program and who plan to teach and conduct research in an allied health discipline or to post doctoral students who are continuing specialized study and research in an allied health discipline.

[(b) LIMITATION.—The Secretary shall limit grants and contracts made or entered into under subsection (a) to those allied health fields or specialities as the Secretary shall, from time to time, determine to have—

[(1) the most significant national or regional shortages of practitioners;

[(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; and

[(3) a significant role in the care and rehabilitation of patients and clients who are elderly or disabled.

[(c) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $2,000,000 for each of the fiscal years 1990 and 1991.

[(d) AVAILABILITY OF FUNDS.—Funds appropriated under this section for any fiscal year shall remain available until expended or through fiscal year 1991.]

### *SEC. 797. TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.*

*(a) GRANTS.—The Secretary may award grants to and enter into contracts with training centers for allied health professions to assist such centers in meeting the costs associated with projects designed to—*

*(1) plan, develop, establish or expand postbaccalaureate programs for the advanced training of allied health professionals in demonstrated shortages who commit to teaching in an allied health training program; and*

*(2) provide financial assistance, in the form of traineeships or fellowships, to postbaccalaureate students who are participants*

*in any such program and who commit to teaching in an allied health discipline.*

*(b) PREFERENCE.—In awarding grants under subsection (a), the Secretary shall give preference to projects that can demonstrate that—*

*(1) not less than 50 percent of the graduates of such schools or programs during the preceding 2-year period are engaged as full-time teaching faculty in an allied health shortage specialty; or*

*(2) the number of the graduates of such schools or programs that are practicing as full-time teaching faculty in an allied health shortage specialty has increased by not less than 50 percent over that proportion of such graduates for the previous 2-year period.*

*(c) LIMITATION.—The Secretary shall limit grants and contracts awarded or entered into under subsection (a) to those allied health fields or specialties as the Secretary shall, from time to time, determine to have—*

*(1) the most significant national or regional shortages of practitioners including clinical laboratory technologists, respiratory therapists, dental hygienists;*

*(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; or*

*(3) a significant role in the care and rehabilitation of patients who are elderly or disabled including physical therapists and occupational therapists.*

*(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out activities under this section, there are authorized to be appropriated $8,000,000 for fiscal year 1992, $9,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $11,000,000 for fiscal year 1995, and $12,000,000 for fiscal year 1996.*

*(e) AVAILABILITY OF FUNDS.—Amounts appropriated under this section for any fiscal year shall remain available until expended or through fiscal year 1996.*

### [EDUCATIONAL ASSISTANCE TO DISADVANTAGED INDIVIDUALS IN ALLIED HEALTH TRAINING

[SEC. 798. (a)(1) For the purpose of assisting individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged (including individuals who are veterans of the Armed Forces with military training or experience in the health field) to undertake education to enter the allied health professions, the Secretary may make grants to and enter into contracts with schools of allied health, State and local educational agencies, and other public or private nonprofit entities to assist in meeting the costs described in paragraph (2).

[(2) A grant or contract under paragraph (1) may be used by the school, agency, or entity to meet the costs of—

[(A) identifying, recruiting, and selecting such disadvantaged individuals who have a potential for education or training in the allied health professions;

[(B) facilitating the entry of such individuals into such a school, agency, or entity;

[(C) providing counseling or other services designed to assist such individuals to complete successfully their education at such school, agency, or entity;

[(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, agency, or entity, preliminary education designed to assist them to complete successfully such regular course of education at such a school, agency, or entity, or referring such individuals to institutions providing such preliminary education; and

[(E) publicizing existing sources of financial aid available to persons enrolled in the education program of such a school, agency, or entity or who are undertaking training necessary to qualify them to enroll in such a program.

[(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefore has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

[(2) The amount of any grant under subsection (a) shall be determined by the Secretary.

[(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for fiscal year ending September 30, 1978, $1,000,000 for fiscal year ending September 30, 1979, and $1,000,000 for fiscal year ending September 30, 1980.]

***SEC. 798. DIVISION OF ALLIED HEALTH.***

*(a) ESTABLISHMENT.—The Secretary shall establish, within the Bureau of Health Professions, a division to be known as the Division of Allied Health (hereafter referred to in this section as the "Division").*

*(b) PURPOSE.—It shall be the purpose of the Division to exercise responsibility over allied health programs administered by the Secretary under this title, including oversight over the Subcommittee on Allied Health and other related matters concerning allied health professions.*

## PART H—GRADUATE MEDICAL EDUCATION

### COUNCIL ON GRADUATE MEDICAL EDUCATION

SEC. 799. (a) * * *

* * * * * * *

*(C) the adequacy of current and future supplies of primary care physicians to serve health professional shortage areas and medically underserved areas and populations as designated in section 338B;*

*(D) the effect of Medicare graduate medical education funding and medical research grant funding on medical schools and residency programs, particularly as such funding may affect institutional support for primary care training and student choices regarding medical specialty and location practice;*

*(E) the inclusion of health promotion and disease and disability prevention as a part of graduate medical educa-*

*tion, in order to address those objectives contained in Healthy People 2000: National Health Promotion and Disease Prevention Objectives relevant to the provision of preventive services and education of health professionals;*

[(C)] *(F)* issues relating to foreign medical school graduates;

[(D)] *(G)* appropriate Federal policies with respect to the matters specified in subparagraphs (A)[, (B), and (C),] *through (F)* including policies concerning changes in the financing of undergraduate and graduate medical education programs and changes in the types of medical education training in graduate medical education programs;

[(E)] *(H)* appropriate efforts to be carried out by hospitals, schools of medicine, schools of osteopathic medicine, and accrediting bodies with respect to the matters specified in subparagraphs (A)[, (B), and (C),] *through (F)* including efforts for changes in undergraduate and graduate medical education programs; and

[(F)] *(I)* deficiencies in, and needs for improvements in, existing data bases concerning the supply and distribution of, and post-graduate training programs for, physicians in the United States and steps that should be taken to eliminate those deficiencies; and

* * * * * * *

(b) * * *

* * * * * * *

(4) 6 members appointed by the Secretary to include representatives of practicing primary care physicians, national and specialty physician organizations, foreign medical graduates, and medical student and house staff associations *(including those physicians practicing in a medically underserved or rural community (as defined in section 711(c));*

(k) There is authorized to be appropriated $1,000,000 for each of the fiscal years [1989, 1990, and 1991] *1992 through 1996* to carry out this section.

[Part I—Health Care for Rural Areas

[SEC. 799A. HEALTH CARE FOR RURAL AREAS.]

### *Part I—Rural Health Training Program*

***SEC. 799A. RURAL HEALTH TRAINING PROGRAM.***

(a) GRANTS.—The Secretary may make grants to, or enter into contracts with, any eligible applicant to help such applicant fund authorized activities under an application approved under subsection (d).

(b) USE OF AMOUNTS.—

(1) * * *

* * * * * * *

(D) enhance the amount of relevant research conducted concerning health care issues in rural areas; [and]

(E) increase the recruitment and retention of health care practitioners in rural areas and make rural practice a more attractive career choice for health care practitioners**[**.**]***;*

*(F) conduct research concerning the social and psychological processes involved in health-related decision-making, the perception of assessments of risk, and health risk reduction relating to individuals in rural areas; and*

*(G) design training models for rural areas that focus on illness prevention and health promotion that may include programs in areas such as—*

*(i) rehabilitation;*

*(ii) health concerns of minorities or economically disadvantaged individuals;*

*(iii) environmental health;*

*(iv) women's health;*

*(v) infant, prenatal, and developmental care;*

*(vi) adolescent health;*

*(vii) the process of health-care seeking, decisionmaking, and compliance behavior;*

*(viii) developmental life span perspective;*

*(ix) rural occupational health and safety;*

*(x) geriatrics; and*

*(xi) other areas determined to be appropriate by the Secretary.*

(2) METHODS.—A recipient of funds under subsection (a) may use various methods in carrying out the projects described in paragraph (1), including—

(A) the distribution of stipends to students of eligible applicants;

(B) the establishment of a post-doctoral fellowship program; *or*

(C) the training of faculty in the economic and logistical problems confronting rural health care delivery systems**[**; or**]**.

**[**(D) the purchase or rental of transportation and telecommunication equipment where the need for such equipment due to unique characteristics of the rural area is demonstrated by the recipient.**]**

(3) ADMINISTRATION.—

(A) * * *

* * * * * * *

*(C) LIMITATION.—An institution that receives a grant under this section shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (b)(1) in the fiscal year preceding the year for which the grant is received.*

(c) ELIGIBLE APPLICANTS.—Applicants eligible to obtain funds under subsection (a) shall include local health departments, nonprofit organizations and public or nonprofit colleges, universities, or schools of, or programs that specialize in, nursing, *clinical*, psychology, *clinical* social work, *marriage and family therapy* optometry, public health, dentistry, osteopathy, physicians assistants, pharmacy, **[**podiatry**]** *podiatric medicine*, medicine, chiropractic, and allied health professions if such applicants submit applications approved by the Secretary under subsection (d). Applicants eligible to obtain funds under subsection (a) shall not include for-profit entities, either directly or through a subcontract or subgrant.

* * * * * * *

**[**(e) Study.—

**[**(1) In general.—The Secretary shall enter into a contract to conduct a study of manpower training needs in rural areas, with attention focused on the supply of health professionals and whether such supply is adequate to meet the demands for health care services in rural communities.

**[**(2) Contents.—

**[**(A) Statistics.—The study conducted under paragraph (1) shall include statistics and projections on—

**[**(i) the supply of health care practitioners in rural areas; and

**[**(ii) suggested methods of improving access to health care services in rural areas.

The study shall pay particular attention to the needs of the elderly in rural areas as well as the individuals in the rural areas who are not eligible for Medicare.

**[**(B) Evaluation.—The study conducted under paragraph (1) shall evaluate existing models for health care training and service delivery and propose innovative alternative models to enhance the quality and availability of health care services in rural areas and to increase the retention of health professionals in rural areas.

**[**(3) Health care training and service delivery models.—The Secretary shall evaluate the effectiveness of the health care training and service delivery models developed with funds made available under this section and compare such models with programs designed to increase the availability of health care providers in rural areas, including the National Health Service Corps program authorized by subpart II of part D of the Public Health Service Act (42 U.S.C. 254d et seq.) and the area health education center program authorized under section 781 of such Act (42 U.S.C. 295g-1).

**[**(4) Submission to congress.—Not later than 18 months after the date of the signing of the contract for the health care study under paragraph (1), the Secretary shall submit to the appropriate committees of the Congress a report that describes the results of the study conducted under paragraph (1).**]**

**[**(f)**]** *(e)* Peer Review.—

* * * * * * *

**[**(g) Definition.—For the purposes of this section, the term "rural area" includes a frontier area, which is an area in which the population density is less than 7 individuals per square mile.**]**

*(f) Definitions.—As used in this section:*

*(1) MEDICALLY UNDERSERVED COMMUNITY.—The term "medically underserved community" has the same meaning given such term in section 711(c).*

*(2) RURAL.—The term "rural" refers to geographic areas that are located outside of standard metropolitan statistical areas.*

[(h) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, other than subsection (e), $5,000,000 for each of the fiscal years 1989, 1990, and 1991.

(2) SUBSECTION (e).—There is authorized to be appropriated $1,000,000 for fiscal year 1989 to carry out subsection (e).]

*(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 in fiscal year 1992, $11,000,000 in fiscal year 1993, $12,000,000 in fiscal year 1994, $13,000,000 in fiscal year 1995, and $14,000,000 in fiscal year 1996.*

## *Part J—Advisory Council on Medical Licensure*

### *SEC. 799D. CREATION OF ADVISORY COUNCIL ON MEDICAL LICENSURE.*

*(a) ADVISORY COUNCIL.—*

*(1) IN GENERAL.—The Secretary of Health and Human Services shall establish a Council to be known as the "Council on Medical Licensure".*

*(2) DUTIES.—*

*(A) ADVICE.—The Council shall provide advice to the Secretary regarding the establishment and operation of the system established by the American Medical Association for the purpose of verifying and maintaining information regarding the qualifications of individuals to practice medicine, and advice regarding the establishment and operation of any similar system.*

*(B) ACTIVITIES.—In carrying out subparagraph (A), the Council shall—*

*(i) monitor and review the operation of the private credentials verification system and develop recommendations regarding methods by which the system can be improved, and make recommendations for the establishment of nondiscriminatory policies and practices for the operation of the system;*

*(ii) determine to what extent the system has expedited and otherwise improved the efficiency and equitable operation of the process in the States for licensing individuals to practice medicine who previously have been licensed by another State (commonly known as licensure by endorsement); and*

*(iii) review the policies and practices of the States (including any relevant laws) in licensing international medical graduates and in licensing domestic medical graduates, and determine the effect of the policies.*

*(3) COMPOSITION.—*

*(A) IN GENERAL.—The Council shall be composed of 13 voting members selected in accordance with subparagraphs (B) and (C).*

*(B) HRSA.—The Secretary shall designate one official or employee of the Health Resources and Services Administration to serve as a member of the Council. The official or employee so designated shall be a graduate of a medical school located in the United States.*

*(C) Appointments.—From among individuals who are not officers or employees of the Federal Government, the Secretary shall, subject to subparagraph (D), make appointments to the Council as follows:*

*(i) one individual from an organization representing State authorities that license individuals to practice medicine;*

*(ii) one individual representing a national organization that represents practicing physicians in the United States;*

*(iii) one individual representing an organization in the United States that tests international medical graduates regarding medical knowledge;*

*(iv) one individual representing and organization in the United States that tests individuals who are graduates of medical schools located in the United States regarding medical knowledge;*

*(v) one physician representing a medical school or medical schools in the United States;*

*(vi) one individual who is a representative of the private credentials verification system;*

*(vii) one individual who is a graduate of a medical school in the United States, licensed to practice medicine in a State for at least 20 years, and who has applied for and received licensure by endorsement within the past 5 years;*

*(viii) one individual who is an intenational medical graduate and who is representing a coalition representing international medical graduates;*

*(ix) one individual who is a native of the United States who is a graduate of a medical school located in a country other than the United States or Canada;*

*(x) one international medical graduate who is a native of a country located in southern or eastern Asia (including southern or eastern Asian islands), and who is a graduate of a medical school located in such a country;*

*(xi) one international medical graduate who is a native of a European country and who is a graduate of a medical school located in such a country; and*

*(xii) one international medical graduate who is a native of a country located in a Latin American or Caribbean country and who is a graduate of a medical school located in such a country.*

*At least one member appointed by the Secretary under this subparagraph should be practicing in a medically underserved or rural area as defined in section 711(c).*

*(D) Consultation.—The Secretary shall make the appointments described in subparagraph (C) only after consultation with relevant organizations and coalitions.*

*(4) Duration.—The Council shall continue in existence until the submission of the report required under paragraph (6), or not later than September 30, 1995, whichever is earlier.*

*(5) Annual report.—The Council shall annually submit to the Secretary, the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report describing the findings and recommendations of the Council pursuant to the duties established in paragraph (2). The Secretary shall provide a copy of each report to the private credentials verification system.*

*(6) Final report and recommendations.—*

*(A) In general.—Not later than September 30, 1995, the Council shall prepare and submit to the Secretary, the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a final report that shall include recommendations regarding activities conducted pursuant to paragraph (2), that shall include a determination as to whether the private credentials verification system is operating with a reasonable degree of efficiency and whether the policies and practices of the system are nondiscriminatory.*

*(B) Recommendations.—If the Secretary determines that the private credentials verification system fails to meet either of the criteria with respect to the determination described in subparagraph (A), the Secretary, in consultation with the Council and relevant organizations, shall make a recommendation concerning the establishment of an alternative private system and concerning the specifications for such a system as described in paragraph (2)(B).*

*(b) Study of State Licensure Process.—*

*(1) In general.—With respect to the licensure by the States of individuals to practice medicine, the Secretary, in consultation with the Council, shall annually conduct a study of not less than 10 States for the purpose of determining—*

*(A) the average length of time required for the States involved to process the licensure applications of domestic medical graduates and the average length of time required for the States to process the licensure applications of international medical graduates, and the reasons underlying any significant differences in such times; and*

*(B) the percentage of licensure applications from domestic medical graduates that are approved and the percentage of licensure applications from graduates of international medical schools that are approved, and the reasons underlying any significant differences in such percentages.*

*(2) Report.—The Secretary each fiscal year shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the findings made as a result of the study required in paragraph (1) for the fiscal year.*

*(c) Definitions.—For purposes of this section:*

*(1) Council.—The term "Council" means the Council on Medical Licensure established in subsection (a)(1).*

*(2) Domestic medical graduate.—The term "domestic medical graduate" means an individual who is a graduate of a medical school located in the United States or Canada.*

*(3) International medical graduate.—The term "international medical graduate" means an individual who is a graduate of a medical school located in a country other than the United States or Canada.*

*(4) Medical school.—The term "medical school" means a school of medicine or a school of osteopathic medicine, as such terms are defined in section 701(2).*

*(5) Nondiscriminatory.—The term "nondiscriminatory" with respect to policies and practices means that such policies and practices do not discriminate on the basis of race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation.*

*(6) Private credentials verification system.—The term "private credentials verification system" means the system described in subsection (a)(2)(A) and established by the American Medical Association.*

*(7) Secretary.—The term "Secretary" means the Secretary of Health and Human Services.*

*(8) State.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.*

*(d) Necessary Resources.—The Secretary shall ensure that necessary resources are made available to implement the provisions of this section.*

## *Part K—Miscellaneous Provisions*

### *SEC. 799G. GRANTS FOR POSTDOCTORAL FELLOWSHIPS IN CLINICAL PSYCHOLOGY, CLINICAL SOCIAL WORK, AND PSYCHIATRY.*

*(a) In General.—The Secretary shall establish a postdoctoral clinical psychology, clinical social work, and psychiatry program to award grants to or enter into contracts with eligible entities to enable such entities to provide financial assistance (in the form of traineeships and fellowships) to participate who will train and provide mental health services in Federal, State or local prisons or correctional facilities or public mental health facilities.*

*(b) Eligible Entities.—To be eligible to receive a grant under this section an institution shall submit an application to the Secretary at such time, in such form and containing such information as the Secretary shall require, including a certification that such institution—*

*(1) is an accredited public or nonprofit school, or program in a State that provides training leading to a degree of doctor of psychology, social work, allopathic or osteopathic medicine and will provide mental health services in Federal, State or local*

*prisons or correctional facilities or public mental health facilities;*

*(2) will use amounts provided to such institution under this section to provide financial assistance in the form of traineeships or fellowships to qualified individuals who meet the requirements of subsection (c);*

*(3) will not use in excess of 10 percent of amounts provided under this section to pay for administrative costs; and*

*(4) will provide any other information or assurance as the Secretary determines appropriate.*

*(c) INDIVIDUALS.—To be eligible to receive a traineeship or fellowship under this section an individual—*

*(1) shall have received a doctoral degree through a graduate program in psychology or social work, a degree in allopathic or osteopathic medicine and is licensed to provide mental health services; and*

*(2) will spend not less than 50 percent of the fellowship providing mental health services in a Federal, State or local prison or correctional facility or public mental health facility.*

*(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1992 through 1996.*

## TITLE VIII—NURSE EDUCATION

### PART A—SPECIAL PROJECTS

### Subpart I—Special Projects in General

#### SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

(1) provide continuing education for nurses *serving in medically underserved or rural communities as defined in section 711(c)*;

(2) demonstrate[, through geriatric health education centers and other entities,] improved geriatric training in preventive care, acute care, and long-term care (including home health care and institutional care);

(3)(A) increase the supply of adequately trained nursing personnel (including bilingual nursing personnel) to meet the health needs of rural areas; and

(B) provide nursing education courses to rural areas [through telecommunications via satellite];

(4) provide training and education—

(A) to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel with priority given to rapid transition programs toward achievement of professional nursing degrees; and

(B) to develop curricula for the achievement of baccalaureate degrees in nursing by registered nurses and by individuals with baccalaureate degrees in other fields; *or*

(5) demonstrate methods to improve access to nursing services in noninstitutional settings, *including providing nursing care as a component of nursing training in one or more medically underserved or rural communities (as defined in section 711(c))* through support of nursing practice arrangements in communities[; or].

[(6)(A) collect the names and addresses of health facilities willing to enter into agreements with nursing students and nursing personnel under which such individuals agree to serve as nurses in the health facilities in consideration of the health facilities agreeing to repay the principal and interest of the educational loans of such individuals;

[(B) collect data on the specific terms of such agreements offered by health facilities;

[(C) collect the names and addresses of nursing students identified pursuant to section 827(a), of other nursing students, and of nursing personnel, willing to enter into such agreements; and

[(D) coordinate and facilitate communications between health facilities and such individuals with respect to such agreements.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

[(b)(1) The Secretary may make grants to, and enter into contracts with, accredited schools of nursing to assist in meeting the costs of such schools in providing projects—

[(A) to improve the training of nurses in geriatrics;

[(B) to develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

[(C) to expand and strengthen instruction in methods of such treatment;

[(D) to support the training and retraining of facility to provide such instruction;

[(E) to support continuing education of nurses who provide such treatment; and

[(F) to establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric health care.

[(2)(A) Any application for a grant or contract under this subsection shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

[(B) The Secretary may not approve or disapprove an application for a grant or contract under this subsection unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under paragraph (1) and has consulted with the Advisory Council on Nurses Education with respect to such application.

[(C) For the purpose of carrying out this subsection, the Secretary may obligate each fiscal year not more than $2,000,000 of the amounts made available for such purpose pursuant to subsection (g)(2).]

[(c)] *(b)(1)* The Secretary may make grants to public and nonprofit private entities for the purpose of demonstrating innovative hospital [nursing practice models] *and innovative nursing practice models in primary care and long-term care settings* designed to reduce vacancies in professional nursing positions and to make such positions a more attractive career choice.

(2) The Secretary may not make a grant under paragraph (1) unless the applicant for the grant agrees that [hospital] nursing practice models demonstrated pursuant to such subsection will include initiatives—

(A) to restructure the role of the professional nurse, through changes in the composition of [hospital] staffs and through innovative approaches for interaction between [hospital] administration and nursing personnel, in order to ensure that the particular expertise of such nurses is efficiently utilized and that such nurses are engaged in direct patient care during a larger proportion of their work time;

(B) to test innovative wage structures for professional nurses in order to—

(i) reduce vacancies in work shifts during unpopular work hours; and

(ii) provided financial recognition based upon experience and education; [and]

(C) to evaluate the effectiveness of providing benefits for professional nurses, such as pensions, sabbaticals, and payment of educational expenses, as a means of developing increased loyalty of such nurses to health care institutions and reducing turnover in nursing positions[.]*; and*

*(D) to evaluate the effectiveness of providing incentives to practice in rural and underserved areas.*

[(d)] *(c)(1)* * * *

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[(e)] *(d)* * * *

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[(f)] *(e)* * * *

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[(g)(1) For payments under grants and contracts under this section, there are authorized to be appropriated $13,000,000 for fiscal year 1989, $16,000,000 for fiscal year 1990, and $20,000,000 for fiscal year 1991.

[(2) Of the amounts appropriated pursuant to paragraph (1), the Secretary shall obligate not less than 20 percent to carry out subsection (a)(2) and subsection (b) (subject to subsection (b)(2)(C)), not less than 20 percent to carry our paragraph (3) of subsection (a), and not less than 10 percent to carry out paragraph (4) of such subsection. Of the amounts appropriated pursuant to paragraph (1) for fiscal year 1989, the Secretary shall obligate not less than 20 percent to carry out section 827.]

*(f) For the purpose of carrying out this section, there are authorized to be appropriated $20,000,000 for each of the fiscal years 1992 through 1996.*

### ADVANCED NURSE EDUCATION

SEC. 821. (a) * * *

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(b) For payments under grants and contracts under this section, there are authorized to be appropriated **[**$13,000,000 for fiscal year 1989, $13,000,000 for fiscal year 1990, and $20,000,000 for fiscal year 1991.**]** *$20,000,000 for fiscal year 1992, $21,000,000 for fiscal year 1993, $22,000,000 for fiscal year 1994, $23,000,000 for fiscal year 1995, and $24,000,000 for fiscal year 1996.*

### NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

SEC. 822. (a)(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing and public health, public or nonprofit private schools of medicine which received grants or contracts under this subsection prior to October 1, 1985, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

(A) plan, develop, and operate,
(B) expand, or
(C) maintain

programs for the training of nurse practitioners and nurse midwives. **[**The Secretary shall give special consideration to applications for grants or contracts for programs for the training of nurse practitioners and nurse midwives who will practice in health professional shortage areas (designated under section 332) and for the education of nurse practitioners which emphasize education respecting the special problems of geriatric patients (particularly problems in the delivery of preventive care, acute care, and long-term care (including home health care and institutional care) to such patients who are confined to their homes.**]**

(2)(A) For purposes of this section, the term "programs for the education of nurse practitioners and nurse midwives" means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, **[**including primary health care**]** *including health care* in homes and in ambulatory care facilities, long-term care facilities (where appropriate), and other health care institutions.

* * * * * * *

(b)(1) The Secretary may make grants to and enter into contracts with schools of nursing and public health, schools of medicine which received grants or contracts under this subsection prior to October 1, 1985, public or nonprofit private hospitals, and other nonprofit entities to establish and operate traineeship programs to train nurse practitioners and nurse midwives. In considering applications for a grant or contract under this subsection, the Secretary shall [give special consideration] *give preference* to applications for traineeships to train individuals who are residents of [health professional shortage areas designated under section 332] *medically underserved or rural communities as defined in section 711(c).*

* * * * * * *

(d) For payments under and contracts under subsections (a) and (b), there are authorized to be appropriated [$12,000,000 for fiscal year 1989, $17,000,000 for fiscal year 1990, and $21,000,000 for fiscal year 1991.] *$25,000,000 for fiscal year 1992, $27,000,000 for fiscal year 1993, $29,000,000 for fiscal year 1994, $30,000,000 for fiscal year 1995, and $31,000,000 for fiscal year 1996.*

### *SEC. 823. CAPACITY BUILDING IN NURSING EDUCATION FOR PRACTICE.*

*(a) GRANTS AND CONTRACTS.—The Secretary may award grants to and enter into contracts with public and private nonprofit schools of nursing for the purpose of providing support (including traineeships and fellowships) for projects to enable such schools to develop resources or strengthen programs or faculty to address the National Health Objectives for the Year 2000.*

*(b) APPLICATION.—*

*(1) IN GENERAL.—To be eligible to receive a grant under this section a school shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may require.*

*(2) CONSIDERATION.—The Secretary shall give special consideration to applications submitted by schools that provide outreach programs that are taught in medically underserved or rural communities (as defined in section 711(c)) in which advanced nursing education is not readily available or that, as a result of such location, may have difficulty recruiting qualified faculty, or schools that can demonstrate that graduates of the nursing program serve rural or underserved populations.*

*(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,500,000 for fiscal year 1992, $2,000,000 for fiscal year 1993, $2,500,000 for fiscal year 1994, $3,000,000 for fiscal year 1995, and $3,500,000 for fiscal year 1996.*

## Subpart II—Nursing Education Opportunities for Individuals From Disadvantaged Backgrounds

### SPECIAL PROJECTS

SEC. 827. (a) * * *

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(c) For payments under grants and contracts under subsection (a), there are authorized to be appropriated [$3,000,000 for fiscal year 1989, $4,000,000 for fiscal year 1990, and $5,000,000 for fiscal year 1991.] *$5,000,000 for fiscal year 1992, $5,500,000 for fiscal year 1993, $6,000,000 for fiscal year 1994, $6,500,000 for fiscal year 1995, and $7,000,000 for fiscal year 1996.*

## PART B—ASSISTANCE TO NURSING STUDENTS

### Subpart I—Traineeships

### TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

SEC. 830. (a)(1)(A) The Secretary may make grants to public or nonprofit private schools of nursing and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to cover the cost of traineeships [for nurses] *for individuals* in masters' degree and doctoral degree [programs in order to educate such nurses to] *nursing programs in order to educate such individuals to*—

(i) serve in and prepare for practice as nurse practitioners,

(ii) serve in and prepare for practice as nurse administrators, nurse educators, and nurse researchers, or

(iii) serve in and prepare for practice in other professional nursing specialties determined by the Secretary to require advanced education.

(B) The Secretary may make grants to public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to cover the cost of traineeships to educate nurses to serve and prepare for practice as nurse midwives.

*(C) Non-nurses enrolled in masters of nursing programs shall be eligible for traineeship support only after completion of basic nursing preparation as defined by the school of nursing consistent with State nurse practice Acts.*

* * * * * * *

[(b) The Secretary may make grants to public or private nonprofit schools of nursing to cover the costs of post-baccalaureate fellowships for faculty in such schools to enable such faculty to—

[(1) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature infants, physically and mentally disabled individuals, and ethnic and minority groups;

[(2) examine nursing interventions that result in positive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, and disease prevention; and

[(3) address other areas of nursing practice considered by the Secretary to require additional study.]

[(c)] *(b)*(1) * * *

[(d)(1)(A) For the purposes of subsections (a) and (c), there are authorized to be appropriated $13,000,000 for fiscal year 1989, $15,000,000 for fiscal year 1990, and $16,000,000 for fiscal year 1991.

[(B) Of the amounts made available pursuant to subparagraph (A), the Secretary shall make available not less than 25 percent to carry out subsection (c).

[(2) For the purposes of subsection (b), there is authorized to be appropriated $1,100,000 for each of the fiscal years 1989 through 1991.]

*(c) For the purpose of carrying out this section, there are authorized to be appropriated $17,000,000 for fiscal year 1992, $19,000,000*

*for fiscal year 1993, $21,000,000 for fiscal year 1994, $23,000,000 for fiscal year 1995, and $25,000,000 for fiscal year 1996.*

### NURSE ANESTHETISTS

SEC. 831. (a)(1) * * *

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(c) For the purpose of making grants under this section, there is authorized to be appropriated [$1,800,000 for each of the fiscal years 1989 through 1991] *$3,000,000 for fiscal year 1992, $4,000,000 for fiscal year 1993, $5,000,000 for fiscal year 1994, $6,000,000 for fiscal year 1995, and $7,000,000 for fiscal year 1996.* Not more than 20 percent of the amount appropriated under this section for any fiscal year shall be obligated for grants under the second sentence of subsection (b).

### SEC. 832. PRIMARY CARE TRAINING PROGRAM.

*(a) IN GENERAL.—The Secretary may award grants to public or nonprofit private schools of nursing for the establishment or expansion of clinical training sites or training affiliations that shall be administered by such schools.*

*(b) APPLICATION.—A school desiring to receive a grant under subsection (a) shall prepare and submit to the Secretary, an application at such time, in such form, and containing such information as the Secretary may require.*

*(c) USE OF GRANTS.—Amounts received under grants awarded under subsection (a) shall be used to—*

*(1) establish clinical training sites or new training affiliations to be run and staffed by the faculty and students of such grantee school, to provide nursing students with training in the delivery of primary care in rural areas or in areas on or within 50 miles of Indian country (as defined in section 1151 of title 18, United States Code);*

*(2) provide for all aspects of clinical training program development, faculty enhancement and student scholarships; and*

*(3) carry out any other activities determined appropriate by the Secretary.*

*(d) DESIGN.—The training sites established under subsection (c)(1) shall be designed to provide at least 25 percent of the school's nursing students with a structured clinical experience in primary care.*

*(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1992 through 1996.*

### LOAN PROVISIONS

SEC. 836. (a) * * *

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(b) * * *

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(1) such a loan may be made only to a student who (A) is in need of the amount of the loan to pursue a full-time or half-time course of study at the school leading to a baccalaureate or associate degree in nursing or an equivalent degree, or a diplo-

ma in nursing, or a graduate degree in nursing, (B) is capable, in the opinion of the school, of maintaining good standing in such course of study, and (C) with respect to any student enrolling in the school after June 30, 1986, is of financial need (as defined in regulations issued by the Secretary)[.]*;*

* * * * * * *

### [AUTHORIZATION OF APPROPRIATIONS FOR STUDENT LOAN FUNDS

[SEC. 837. There are authorized to be appropriated for allotments under section 838 to schools of nursing for Federal capital contributions to their student loan funds established under section 835, $25,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, $35,000,000 for fiscal year 1978, $13,500,000 for the fiscal year ending September 30, 1980, $14,000,000 for the fiscal year ending September 30, 1982, $16,000,000 for the fiscal year ending September 30, 1983, and $18,000,000 for the fiscal year ending September 30, 1984. For the fiscal year ending September 30, 1985, and for each of the next two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan for any academic year ending before October 1, 1984, to continue or complete their education. Of the amount appropriated under the first sentence for the fiscal year ending September 30, 1982, and the two succeeding fiscal years, not less than $1,000,000 shall be obligated in each such fiscal year for loans from student loan funds established under section 835 to individuals who are qualified to receive such loans and who, on the date they receive the loan, have not been employed on a full-time basis or been enrolled in any educational institution on a full-time basis for at least seven years. A loan to such an individual may not exceed $500 for any academic year.]

### AUTHORIZATION OF APPROPRIATIONS FOR LOAN REPAYMENTS FOR SERVICE IN CERTAIN HEALTH FACILITIES

SEC. 837A. For the purposes of payments under agreements entered into under section 836(h), there is authorized to be appropriated [$5,000,000 for each of the fiscal years 1989 through 1991.] *$5,000,000 for fiscal year 1992, $6,000,000 for fiscal year 1993, $7,000,000 for fiscal year 1994, $8,000,000 for fiscal year 1995, and $9,000,000 for fiscal year 1996.*

### ALLOTMENTS AND PAYMENTS OF FEDERAL CAPITAL CONTRIBUTIONS

SEC. 838. (a)(1) * * *

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(3)(A) Funds which, pursuant to section 839(c) or pursuant to a loan agreement under section 835, are returned to the Secretary in any fiscal year, shall be available for allotment [in such fiscal year and in the fiscal year succeeding the fiscal year] *until expended.* Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out this subpart, expect that in making such allotments, the Secretary shall give priority to schools of nursing which established student loan funds under this subpart after September 30, 1985.

### DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. 839. (a) After September 30, [1991] *1996*, and not later than December 31, [1994] *1999*, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 835(b) by each school as follows:

(1) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund at the close of September 30, [1994] *1999*, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 835(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After December 31, [1994] *1999*, each school with which the Secretary has made an agreement under this subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after September 30, [1994] *1999*, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement as was determined for the Secretary under subsection (a).

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## Subpart III—Scholarships

### UNDERGRADUATE EDUCATION OF PROFESSIONAL NURSES

SEC. 843. (a) * * *

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(c) The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that, in providing scholarships pursuant to the grant, the applicant will provide a scholarship to an individual only if the individual agrees that, upon graduating from the program of nursing education offered by the applicant, the individual will [serve as nurse for a period of not less than two years] *serve as a nurse for a period equal to the number of years of the scholarship award* in an Indian Health Service health center, in a Native Hawaiian health center, in a public hospital, in a migrant health center, in a community health center, in a nursing facility, in a rural health clinic, or in a health facility determined by the Secretary to have a critical shortage of nurses.

* * * * * * *

(f) For the purpose of making grants under this section, there are authorized to be appropriated [$15,000,000 for fiscal year 1989 and $30,000,000 for each of the fiscal years 1990 and 1991.] *$30,000,000 for fiscal year 1992, $31,000,000 for fiscal year 1993, $32,000,000 for fiscal year 1994, $33,000,000 for fiscal year 1995, and $34,000,000 for fiscal year 1996.*

## [Subpart IV—Demonstration Program For Student Loans With Respect to Service in Certain Health Care Facilities in Underserved Areas

### [SEC. 847. ESTABLISHMENT OF PROGRAM.

[(a) IN GENERAL.—The Secretary may, subject to subsections (c) and (d), make loans to individuals to assist the individuals in attending schools of nursing if the individuals enter into contracts with health facilities to reengage, in consideration of the agreements made pursuant to subsection (d) (relating to loan repayments), in full-time employment as nurses for a period of time equal to not more than the period of time during which the individuals receive loan assistance under this section.

[(b) PREFERENCES IN MAKING LOANS.—In making loans under subsection (a), the Secretary shall give preference to disadvantaged and minority individuals underrepresented in the nursing profession, as determined in accordance with criteria established by the Secretary.

[(c) CERTAIN REQUIREMENTS WITH RESPECT TO STUDENTS.—The Secretary may not make a loan under subsection (a) unless—

[(1) the applicant for the loan is enrolled (or accepted for enrollment) as a full-time student in a public or nonprofit school accredited for the training of professional nurses;

[(2) the applicant agrees to expend the loan only for the payment of the costs of tuition, reasonable living expenses, books, fees, and necessary transportation; and

[(3) the applicant agrees that, if the applicant is dismissed from the school for academic reasons, voluntarily terminates academic training as a nurse, or violates the contract entered into pursuant to subsection (a), the applicant will be liable to the United States in an amount equal to 100 percent of the principal and interest due on the loan.

[(d) CERTAIN REQUIREMENTS WITH RESPECT TO HEALTH CARE FACILITIES.—The Secretary may not make a loan under subsection (a) unless, with respect to contracts referred to in such subsection—

[(1) the applicant for the loan has entered into such a contract with a health care facility that is a nonprofit hospital or a long-term care facility certified under title XVIII or XIX of the Social Security Act;

[(2) such health care facility is located in a geographic area that is underserved with respect to the services of nurses, as designated pursuant to subsection (e);

[(3) the contract provides that the health care facility will repay 100 percent of the principal and interest of the loan made to the applicant under subsection (a);

[(4) the contract provides that, in serving as a nurse at the health care facility, the payments made by the facility on behalf of the applicant in repayment of the loan will be in addition to the pay that the applicant would otherwise receive for such service; and

[(5) the contract provides that, in the event the health care facility violates the contract, the facility will be liable to the United States in an amount equal to 100 percent of the principal and interest due on such loan.

[(e) Designation of Underserved Geographic Areas.—For purposes of subsection (d)(2), the Secretary shall through regulation establish criteria for the designation of such areas. The Secretary may, as appropriate, designate geographic areas using criteria in section 330(b)(4).

[(f) Maximum Amount of Loan.—The Secretary may not provide a loan under subsection (a) in an amount exceeding 100 percent of the costs described in subsection (c)(2).

[(g) Interest.—Loans awarded under this section shall bear interest on the unpaid balance of the loan at a rate of 5 percent per annum. Such interest shall accrue from the date the individual involved is no longer enrolled in the nursing program.

[(h) Waiver or Suspension of Student Obligations.—The Secretary shall by regulation provide for the waiver or suspension of any obligation of any individual receiving a loan under subsection (a) whenever compliance by the individual is impossible or would involve extreme hardship to the individual.

[(i) Requirement of Application.—The Secretary may not make a loan under subsection (a) unless—

[(1) an application for the loan is submitted to the Secretary;

[(2) with respect to carrying out the purpose for which the loan is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

[(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances and information as the Secretary determines to be necessary to carry out this section.

[(j) Set-Aside With Respect to Rural Areas.—Of the amounts appropriated for a fiscal year pursuant to subsection (k), the Secretary shall make available not less than 35 percent for loans under subsection (a) to individuals who will, pursuant to such loan, serve as nurses in rural areas designated under subsection (e) as geographic areas that are underserved with respect to the services of nurses.

[(k) Authorization of Appropriations.—For the purpose of making loans under subsection (a), there is authorized to be appropriated $5,000,000 for the fiscal years 1989 through 1991.

[(l) Sunset.—The authority to make loans under subsection (a) terminates September 30, 1991.]

## *Subpart IV—Grants for Nurse Education in Long-Term Care Facilities*

### *SEC. 848. ESTABLISHMENT OF NURSE EDUCATION GRANT PROGRAM WITH RESPECT TO SERVICE IN LONG-TERM CARE FACILITIES.*

*(a) In General.—The Secretary may award grants to public and private nonprofit undergraduate schools or programs accredited for the training of professional nurses for the purpose of providing fellowships to licensed vocational or practical nurses, nursing assistants and other paraprofessional nursing personnel to assist such individuals in obtaining professional nursing education to attain the level of registered nurse.*

*(b) Preferences.—The Secretary may not award a grant under subsection (a) unless the applicant for the grant agrees that, in providing fellowships under the grant, the applicant will give preference to—*

*(1) disadvantaged and minority individuals who are underrepresented in the nursing profession, as determined in accordance with appropriate criteria established by the Secretary; and*

*(2) individuals participating in rapid transition programs targeted towards the achievement of professional nursing degrees.*

*(c) Certain Requirements with Respect to Students.—The Secretary may not award a grant under subsection (a) unless the applicant for the grant agrees that, in providing fellowships under the grant, the applicant will provide a fellowship to an individual only if—*

*(1) the individual is enrolled or accepted for enrollment as at least a half-time student in a public or nonprofit school of nursing or other training program accredited to provide the requisite education and training for the level of professional certification sought by the individual;*

*(2) the individual agrees to expend amounts received under the fellowship solely for the payment of the costs of tuition, books, fees, reasonable living expenses, or necessary transportation related to the training program referred to in paragraph (1);*

*(3) the individual agrees that, if the individual is dismissed from the school or program referred to in paragraph (1) for academic reasons, voluntarily terminates such education or training, or violates the contract entered into pursuant to paragraph (4), the individual will be liable to the United States in an amount equal to 100 percent of the amount of the fellowship, plus interest at a rate of 5 percent per annum; and*

*(4) the individual enters into a contract with a long-term care facility that is certified under title XVIII or XIX of the Social Security Act to engage in full-time employment at the higher level of professional skill acquired under this section for a period of time equal to not less than the period of time during which the individual receives assistance under this section.*

*(d) Certain Requirements with Respect to Long-Term Care Facilities.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that, in providing fellowships under the grant, the amount of a fellowship provided for an individual attending the school will not exceed the amount described in subsection (c)(2).*

*(e) Requirement of Application.—The Secretary may not award a grant under subsection (a) unless—*

*(1) an application for the grant is submitted to the Secretary;*

*(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and*

*(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.*

*(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants under subsection (a), there are authorized to be appropriated $5,000,000 for each of the fiscal years 1992 through 1996.*

## PART C—GENERAL

### ADVISORY COUNCIL ON NURSES EDUCATION; REVIEW COMMITTEE

SEC. 851. (a) There is hereby established **[**a Advisory**]** *an Advisory* Council on Nurses Education, consisting of the Secretary or his delegate, who shall be Chairman, and an ex officio member, and twenty-one members appointed by the Secretary without regard to the civil service laws. Three of the appointed members shall be selected from full-time students enrolled in schools of nursing, four of the appointed members shall be selected from the general public, one of the appointed members shall be selected from practicing professional nurses, one of the appointed members shall be selected from among representatives of associate degree schools of nursing, and twelve shall be selected from among leading authorities in the various fields of nursing, higher, and secondary education, and from representatives of hospitals and other institutions and organizations which provide nursing services. The student-members of the Council shall be appointed for terms of one year and shall be eligible for reappointment to the Council.

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### PROHIBITION AGAINST DISCRIMINATION BY SCHOOLS **[**ON THE BASIS OF SEX**]**

SEC. 855. The Secretary may not make a grant, loan guarantee, or interest subsidy payment under this title to, or for the benefit of, any school of nursing unless the application for the grant, loan guarantee, or interest subsidy payment contains assurances satisfactory to the Secretary that the school will not discriminate on the basis of **[**sex**]** *race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation* in the admission of individuals to its training programs. The Secretary may not enter into a contract under this title with any school unless the school furnishes assurances satisfactory to the Secretary that it will not discriminate on the basis of **[**sex**]** *race, color, religion, gender, national origin, age, disability, marital status, or educational affiliation* in the admission of individuals to its training programs.

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### EVALUATIONS

SEC. 859. (a) The Secretary shall, directly or through contracts with public and private entities, provide for evaluations or projects carried out pursuant to this title and for the dissemination of information developed **[**as result of**]** *as a result of* such projects. Such evaluations shall include an evaluation of the effectiveness of such projects in increasing the recruitment and retention of nurses.

**[**(b)(1). The Secretary shall, not later than January 10, 1989, submit to the Committee on Energy and Commerce of the House of

Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the manner in which the Secretary intends to carry out subsection (a).]

[(2)] The Secretary shall, not later than January 10, 1991, and [biannually] *every 2 years* thereafter, submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report summarizing evaluations carried out pursuant to subsection (a) during the preceding two fiscal years.

*SEC. 860. The applicant is further required to provide assurances to the Secretary that all trainees will receive instruction in the utilization of universal precautions and infection control procedures for the prevention of transmission of bloodborne diseases.*

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CENTERS FOR RESEARCH AND DEMONSTRATION OF HEALTH PROMOTION AND DISEASE PREVENTION

SEC. 1706. (a) * * *

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(d) For purposes of this section, the term "academic health center" means a school of medicine, a school of osteopathy, or a school of public health, as such terms are defined in section [701(4)] *701(2)*.

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EMERGENCY MEDICAL SERVICES FOR CHILDREN

SEC. 1910. (a) * * *

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(c) For purposes of this section—

(1) the term "school of medicine" has the same meaning as in section [701(4)] *701(2)*; and

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## TITLE 8—UNITED STATES CODE

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### CHAPTER 12—IMMIGRATION AND NATIONALITY

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**SEC. 1182. EXCLUDABLE ALIENS.**

(a) * * *

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(5) LABOR CERTIFICATION AND QUALIFICATIONS FOR CERTAIN IMMIGRANTS.—

(A) * * *

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(B) UNQUALIFIED PHYSICIANS.—An alien who is a graduate of a medical school not accredited by a body or bodies approved for the purpose by the Secretary of Education (regardless of whether such school of medicine is in the United States) and who is coming to the United States principally to perform services as a member of the medical profession is excludable, unless the alien (i) has **[**passed parts I and II of the National Board of Medical Examiners Examination (or an equivalent examination as determined by the Secretary of Health and Human Services)**]** *passed medical science examinations administered by the Educational Commission for Foreign Medical Graduates to graduates of foreign medical schools and approved by the Secretary of Health and Human Services for purposes of the law* and (ii) is competent in oral and written English. For purposes of the previous sentence, an alien who is a graduate of a medical school shall be considered to have passed **[**parts I and II of the National Board of Medical Examiners**]** *medical science examinations* if the alien was fully and permanently licensed to practice medicine in a State on January 9, 1978, and was practicing medicine in a State on that date.

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(32) Aliens who are graduates of a medical school not accredited by a body or bodies approved for the purpose by the Secretary of Education (regardless of whether such school of medicine is in the United States) and are coming to the United States principally to perform services as members of the medical profession, except such aliens who have **[**passed parts I and II of the National Board of Medical Examiners Examination (or an equivalent examination as determined by the Secretary of Health and Human Services)**]** *passed medical science examinations administered by the Educational Commission for Foreign Medical Graduates to graduates of foreign medical schools and approved by the Secretary of Health and Human Services for purposes of the law* and who are competent in oral and written English. The exclusion of aliens under this paragraph shall apply to preference immigrant aliens described in section 1153(a) (3) and (6) of this title and to non-preference immigrant aliens described in section 1153(a)(7) of this title. For the purposes of this paragraph, an alien who is a graduate of a medical school shall be considered to have passed **[**parts I and II of the National Board of Medical Examiners examination**]** *medical science examinations* if the alien was fully and permanently licensed to practice medicine in a State on January 9, 1978, and was practicing medicine in a State on that date;

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(j) LIMITATION ON IMMIGRATION OF FOREIGN MEDICAL GRADUATES.—

(1) * * *

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(B) Before making such agreement, the accredited school has been satisfied that the alien (i) is a graduate of a school of medicine which is accredited by a body or bodies approved for the purpose by the Secretary of Education (regardless of whether such school of medicine is in the United States); or (ii) (I) has [passed parts I and II of the National Board of Medical Examiners Examination (or an equivalent examination as determined by the Secretary of Health and Human Services)] *passed medical science examinations administered by the Educational Commission for Foreign Medical Graduates to graduates of foreign medical schools and approved by the Secretary of Health and Human Services for purposes of the law*, (II) has competency in oral and written English, (III) will be able to adapt to the educational and cultural environment in which he will be receiving his education or training, and (IV) has adequate prior education and training to participate satisfactorily in the program for which he is coming to the United States. For the purposes of this subparagraph, an alien who is a graduate of a medical school shall be considered to have passed [parts I and II of the National Board of Medical Examiners Examination] *medical science examinations* if the alien was fully and permanently licensed to practice medicine in a State on January 9, 1978, and was practicing medicine in a State on that date.

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